



THE NEW YORK CITY DEPARTMENT OF EDUCATION

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School Allocation Memorandum No.1, FY 2006

TO: School Principals

DATE: May 11, 2005

FROM: Bruce E. Feig

SUBJECT: Preliminary Fiscal Year 2005-2006 Initial School Allocations

CC: Regional Superintendents
Community School District Superintendents
Local Instructional Superintendents
Regional Operation Center Executive Directors

I am writing to inform you that your preliminary school budget for the 2005/2006 school year is available on the Internet at:

http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/AM_fy06_pgl.html

You can also access a summary of funding allocated to your school via a link inserted on your school's homepage on the Department of Education (DOE) Web site.

We are pleased that we are able to provide this information in a timely manner that is unprecedented. By providing this budget information at the beginning of May, we hope to support you in planning for the upcoming school year and in recruiting staff to carry out your instructional plans.

This year's timely passage of the State budget allows us to avoid the unpredictability that had been associated in the past with late State budgets. However, we are all disappointed that the State failed to meet its obligation under the recent court order in the Campaign for Fiscal Equity (CFE) lawsuit, which required that an additional \$5.6 billion in annual operating funds be made available to the New York City Department of Education within four years, the first installment commencing in FY 2005-2006.

Since 2002, the City has increased its funding of Education programs by over \$2.5 billion, compared to an increase of \$900 million that the State has provided over the same period of time. This increased funding has supported the provision of math and literacy coaches to our schools, centralized purchasing of core curriculum materials for schools, hiring of parent coordinators at schools, increased expenditures on early grade interventions and reduced class size, increased spending on mandated special education services, growth in programs for English Language Learners, the development of new and restructured schools, improved safety in our schools, increased expenditures on fixed costs and increased expenditures on pensions and debt service. All of this has been done while maintaining or improving all school budgets.

This year, the Mayor's Executive budget once again includes a substantial increase in city funding for education. Over \$800 million in new City funding will be made available to support increased pension costs, increased debt service expenditures, increased fixed costs, additional new and restructured schools, increased support for mandated special education services, enhanced safety services at schools, expanded educational supports for early grades, new interventions for middle schools, expanded gifted and talented programs, additional translations services, and more.

School Year 2006 Basic Allocation

The Basic Allocation for School Year (SY) 2005-2006 reflects the third year of school based budgeting. Under school based budgeting, Principals continue to have greater flexibility and autonomy in using resources to support the instructional needs of their students. The major improvements to the process this year are the earlier release of the school budgets and the fact that the vast majority of program and per capita allocations will accompany the basic allocation. This more comprehensive budget will further assist you in planning for next year.

All school budgets for SY 2005-2006 will be maintained at current year levels except to reflect changes in general and special education registers, changes in average teacher salary, elimination of one time allocations, or adjustments and increases in funding to support mandated special education services. This approach will guarantee that schools can, at a minimum, support the same basic instructional programs that currently operate. Enhancements to these programs will be supported by improvements and increases to special education funding and the additional program funds contained in the initiatives included in the Mayor's Executive Budget.

Your preliminary SY 2005-2006 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 class sizes consistent with the Chancellor's policy guidelines. The basic allocation also provides resources for school overhead, non-mandated special education services, English Language Learners, and other per capita needs.

As in prior years, it should also be understood that the projected registers included here are projections and may differ from the actual register at your school on October 31, 2005, in which case adjustments will be made accordingly. Continuing the policy implemented in the current year, schools that have an actual audited register below the

projections will not keep any resources associated with the higher projected register figure. Further, schools that excess staff associated with register and budget variations will be required to fund excess staff which are declared after September 30th.

Mandated Special Education Services

As a result of a series of focus group discussions, chaired by the Division of Teaching and Learning and including extensive participation by principals, a number of changes are being made to the allocation formula for mandated special education services.

In order to ensure that resources for mandated services are fully funded, the portion of the Instructional Programs allocation that applies to special education pupils in self-contained and collaborative team teaching classes, in grades kindergarten through eight, is being changed as follows:

- First, in SY 2005-2006, these funds will be given to Elementary and Middle Schools as a discrete allocation category, to enable schools to better manage these funds.
- Secondly, allocations to these schools will be based upon the number of self-contained and collaborative teach teaching *classes*, rather than just the number of special education *pupils* receiving these services. Funding classes instead of pupils will protect schools from budget impacts where there is a justified reason for special education classes having a register below the budgeted guidelines.
- In addition, this approach will not financially penalize schools in which the pupil enrollment in self-contained and collaborative teach teaching classes starts off low in September and grows as students are referred for these services during the course of the school year.

Additionally, the Department is allocating targeted funding to support the classroom paraprofessional required in self-contained special classes with a staffing ratio of 12:1:1. These funds are being shifted from the Special Needs and Academic Intervention Services (SN/AIS) allocation. Schools will be given funding for these paraprofessionals as part of the new self-contained and collaborative teach teaching allocation described above. Previously, schools had to set aside funding from their SN/AIS allocation for this need.

Special Needs and Academic Intervention Services (SNAIS)

The Special Needs/Academic Intervention Services (SN/AIS) formula targets funds for students with special needs. The need criterion prioritizes funds for Special Education students and students with academic needs, low income students and LEP (Limited English Proficiency)/ELL (English Language Learners) students. The formula provides resources for the delivery of mandated special education services, with the first option for the provision of services to disabled students being in the general education classroom with appropriate special education supports. The formula also supports intervention/prevention programs in general education populations.

The following changes are being made for SY 2005-2006:

- Funding for the SN/AIS formula allocation in the elementary and middle schools is being shifted to fully fund the classroom paraprofessional for self-contained special classes with a staffing ratio of 12:1:1.
- The SN/AIS formula is being changed to more fully fund the cost of providing multiple Special Education Teacher Support Services (SETSS) sessions to special education pupils in elementary and middle school by increasing the weighting in the formula that is assigned to pupils who are mandated to receive multiple sessions of SETSS.
- In order to support these changes, per capita SN/AIS funding is adjusted across all elementary and middle schools. The result is that schools are treated equitably after mandated services are provided for.

Title I

The Department of Education will continue the Title I methodology that was established in SY 2003-2004. For SY 2005-2006, the school poverty cut-off level for eligibility will continue to be the lower of 60 percent free lunch eligibility and the county's average free lunch eligibility percentage (down to the federal cut-off of 35%). This has the effect of maintaining the school eligibility level at 60% in Manhattan, the Bronx and Brooklyn, and lowering it slightly to 56.14% in Queens and 35.12% in Staten Island.

The plan for SY 2005-2006 also continues the grandfathering provision, which allows schools falling below their respective county cutoff to receive a prorated share of funds for one year, regardless of their eligibility percentage. School Allocation Memorandum #3 contains a chart which indicates all schools that are changing Title I status, according to these plans.

Title III, Part 154 and PCEN LEP

The Department will build upon and continue the methodologies used in SY 2004-20005. Funds will be allocated based upon actual enrollments on October 31, 2004, except in the case of high schools, where projected September, 2005 enrollment will be used as source of allocation. A small percentage of funds will be held in reserve to ensure that funds are available to meet the needs of schools experiencing changes in student register. Specific, detailed information on these programs will be available in the respective School Allocation Memorandums.

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, Early Grade Class Size Reduction and Early Grade Intervention, Parent Coordinators and Coaches, LEP programs - both mandated and supplementary, AIDP and Attendance Teachers, SURR School Supplementary Assistance, IEP Teachers, and Project Arts.

Other allocations, including IEP-mandated Paraprofessionals, School Based Support Teams, Adaptive Physical Education, and Pre-Kindergarten Programs will be available

shortly. Special Education Related Services allocations for speech and guidance services will be allocated in June or July, as soon as SY 2005-2006 registers are updated in ATS. All of these later allocations supplement the basic allocation or are based on specific mandated needs of individual special education pupils.

Early Grade Intervention Programs

The SY 2005-2006 will see a continuation of early grade intervention funding and an expansion of summer programs for this group of students. In addition to the basic school allocations that you are receiving today, there will be a continuation of the supplemental \$68 million for early grade and elementary level intervention services and an expansion of early grade and elementary summer services by \$5 million.

Children First

The highly successful Children First reforms will, of course, continue in SY 2005-2006. As in the past two years, schools will receive targeted resources in addition to their basic allocation to support literacy and math Coaches and Parent Coordinators. Additional resources for textbooks and classroom libraries associated with the core curriculum will once again be provided outside of a school's basic allocation.

Surplus Rollover Program

Schools participating in the new surplus rollover program will receive 50% of the funds identified for rollover in their instructional programs allocation category. These funds are in addition to their basic school allocation. The remaining 50% of the rolled-over funds will be released to participating schools following a review of their SY 2004-2005 year end financial condition.

Future Allocations

While the vast majority of school funding has been allocated today, 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 place the resources appropriately. A complete listing of resources that remain to be allocated will be posted on the website shortly. In addition, new allocations to implement the initiatives funded in the Mayor's Executive Budget will also be made. **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 May and June; the ROC staff will also be available for individual sessions with principals at this time. Staff members of these Centers will be available to assist you in understanding your budget and in scheduling your SY 2005-2006 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 will be posted shortly on the intranet at:

<http://www.nycboe.net/Schools/Principals/PrincipalsContactDirectory.aspx>

Approval of Budgets

Once you have had a chance to review your preliminary allocations, consult with your School Leadership Team and align resources with your Comprehensive Educational Plan, you are required to submit your proposed budgets to your Local Instructional Superintendent. Your Local Instructional Superintendent will, in turn, submit the proposed budget to the Community School District Superintendent and Regional Superintendent for approval. All school budgets should be approved, and allocated funding fully scheduled in Galaxy, no later than July 8.