



JOEL I. KLEIN, *Chancellor*

OFFICE OF THE CHIEF FINANCIAL OFFICER
52 Chambers Street, New York, NY 10007

SCHOOL ALLOCATION MEMORANDUM NO. 26, FY09

DATE: May 22, 2008

TO: **COMMUNITY SUPERINTENDENTS, INTEGRATED SERVICE CENTERS AND SCHOOL PRINCIPALS**

FROM: Susan Olds, Executive Budget Director

SUBJECT: **FY08 Deficit Rollover**

Schools unable to absorb the FY 08 cut, defined for this purpose as schools showing deficits in select Tax Levy allocation categories which they are unable to fund through reductions of uncommitted or through unscheduled balances in other Allocation Categories, received an allocation in FY 08 restoring part or their entire cut to offset the deficit. Schools will have to repay restored cuts by having their allocations reduced in future years. The following policies govern the repayment.

- Repayment of the restored cut can be spread over the next four years as follows:
 - The lower of (1) a minimum of \$25,000, or (2) 100% of the restored cut will be withheld from FY09 allocations.
 - Any remaining balances will be repaid during the subsequent 3 years (FY10 - FY12). In FY 10 the minimum payment is 1/3 of the remaining balance after deducting the FY 09 payments. In FY 11 the minimum payment is 1/2 of the balance remaining after deducting FY09 and FY 10 paybacks. All remaining balances must be paid by FY12.
- Schools with payback plans will not be permitted to participate in the surplus roll program until repayment is complete.
- Schools with funds available at current year close can apply that surplus amount against their cut only after ensuring that current year liabilities are covered. This process will take place as follows:
 - Schools with restored FY 08 cuts will be able to schedule available funds on the "FY08 cut payback" set aside in selected TL Allocation categories on their Galaxy Table of Organization with the help of their ISC. Schools will have until June 30, 2008 to identify surpluses and schedule funds on this set aside line.

- In October, 2008, DBOR will analyze remaining FY08 deficits by applying the same review used in the second half of the surplus roll program (see: http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy08_09/AM_FY09_pg1.html for the surplus roll guidelines). These deficits will then be deducted from surpluses set aside on the “FY 08 cut payback” line.
 - Positive balances will be restored to the school’s FY 09 FSF allocation category.
 - Negative balances will be deducted from the school’s FY 09 FSF allocation category.
 - Negative balances identified as a result of this October 2008 fiscal review which exceed \$25,000 will be applied in three equal installments during FY 10 – FY 12.

Tax Levy Allocation categories where available balances can be used to offset deficit roll:

TL Children First Funding
TL Children First Funding HS
TL Fair Student Funding
TL Fair Student Funding HS
TL Fair Student Funding Incremental
TL Fair Student Funding Incremental HS
TL FSF General Hold Harmless
TL FSF General Hold Harmless HS
TL Host School MS
TL HOST SCHOOL HS
TL Instructional Programs
TL Instructional Programs HS
TL One-Time Allocations
TL One-Time Allocations HS
TL Summer

Summary of Appendices

Appendix A: Deficit rollover summary by school

c: Marcia Lyles
Lisa Dare

Appendix A: Deficit Rollover Summary By School

School	FY08 Deficit Rolled	FY09 Deficit	FY10 Deficit	FY11 Deficit	FY12 Deficit	Comments
15K464	162,384	25,000	45,795	45,795	45,794	
13K336	96,061	25,000	23,687	23,687	23,687	
15K448	175,945	25,000	37,736	37,736	37,736	School K448 has been granted an additional year to repay deficit.
13K596	86,559	25,000	20,520	20,520	20,519	
15K429	21,557	21,557	-	-	-	
13K258	64,965	25,000	13,322	13,322	13,321	
29Q231	81,366	25,000	18,789	18,789	18,788	
30Q445	89,871	25,000	21,624	21,624	21,623	
26Q415	70,930	25,000	15,310	15,310	15,310	
27Q410	125,722	125,722	-	-	-	
28Q470	-	-	-	-	-	Information will be available pending the decision on a hold harmless request.
01M450	100,000	25,000	25,000	25,000	25,000	
02M440	146,204	36,551	36,551	36,551	36,551	
02M544	56,805	25,000	10,602	10,602	10,601	
05M469	25,235	25,235	-	-	-	
05M499	101,653	33,885	33,884	33,884	-	
06M052	188,384	25,000	54,461	54,462	54,461	
08X107	10,481	10,481	-	-	-	
08X282	42,430	25,000	5,810	5,810	5,810	
08X295	20,563	20,563	-	-	-	
08X301	41,845	25,000	16,845	-	-	
09X215	33,037	25,000	4,018	4,019	-	
09X250	46,490	25,000	21,490	-	-	
10X279	129,958	43,319	43,319	43,320	-	
10X284	9,340	9,340	-	-	-	
10X319	75,812	75,812	-	-	-	
11X265	36,749	25,000	11,749	-	-	
18K114	178,773	44,693	44,693	44,694	44,693	
18K279	61,405	25,000	12,135	12,135	12,135	
18K285	88,145	25,000	21,048	21,049	21,048	
Total	2,368,669	897,158	538,388	488,309	407,077	