



FY 2012 School Budget Allocations

Community Education Council Presentation



Dennis M. Walcott, Chancellor

Agenda

- DOE Finance: Historical Changes
- Department of Education Fiscal Year 2012 Budget
- Impact on School Budgets & Fair Student Funding
- Feedback



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DOE Finance: Historical Changes

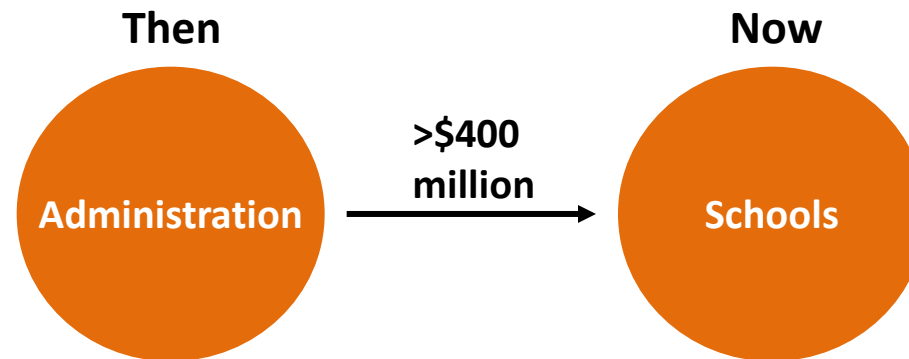
Targeting More Money to the Schools

SINCE 2002, \$420 MILLION HAS BEEN TRANSFERRED TO SCHOOL BUDGETS AS A RESULT OF REDUCTIONS AND CUTS TO CENTRAL ADMINISTRATION

Phase I: *Prior to 2007*, more than \$190 million was transferred from the administration to schools and classrooms.

Phase II: *Since 2007*, we have been able to redirect an additional \$174 million from the administration to schools and classrooms.

Plus: Most recently, another \$56 million has been allocated to the schools allowing principals to purchase academic support services that are best for their students.



This chart excludes the cost associated with fringe.



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DOE Fiscal 2011 Budget

Of the total, the majority of dollars in DOE's budget, over \$12 billion, are considered 'non-flexible' limiting our ability to meet budget reductions.

FY11 Feb Plan Forecast	
Department of Education Budget	\$22,932
NON FLEXIBLE OR MANDATED	\$12,402
Special Education	\$4,965
PENSIONS	\$2,457
DEBT	\$1,656
Transporation(SE & NYS funds)	\$909
ENERGY & LEASES	\$468
CHARTERS (NYS sets amount)	\$572
FOOD - NYS & Federal Funds	\$382
SAFETY	\$296
English Language Learners (Est.)	\$213
PRE-Kindergarten - state grant	\$216
NON PUBLIC SCHOOLS/FOSTER CARE	\$270
FLEXIBLE	\$10,530
General Education- DOE SCHOOLS	\$8,901
CENTRAL & FIELD	\$678
FACILITIES	\$720
Transportation - GE (\$NYC)	\$124
FOOD (\$NYC)	\$107
Amounts shown include fringe costs for personnel	

DOE Fiscal 2012 Budget

Each year, OMB generates an Executive Plan which is the initial budget plan for the coming year. Subsequently, interim *plans* are generated throughout the fiscal year outlining budget adjustments to each of the city agencies.

This year's November Plan resulted in a DOE reduction of \$435 million. This decrease in funds triggered the potential layoff, in FY12, of 4,666 teachers and an additional loss of 1,500 teachers through attrition.

System-wide rising costs for special education mandates, teacher compensation, register changes, etc, impose an additional financial impact on the department for which we don't receive additional funds. These costs total \$265m for FY12.

November Plan	\$ (435)
Rising Costs	\$ (265)
Total:	\$ (700)

(in millions)



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City Funding Restorations

It Could Have Been Worse

The city has made a commitment to back-fill our state cut with \$1.008b and our federal stimulus loss with \$853m in FY12.

Again, this leaves us with a budget gap of \$700m.



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School Budget Allocations

Although more than half of every school's budget comes from Fair Student Funding (FSF), schools also receive funds allocated via a variety of methods including:

- State and federal funding streams (“categorical”) often have externally determined allocation methodologies (e.g. C4E, Title I, etc.)
- Mandate Support allocations, based upon individual pupil needs (e.g., IEP Para, Mandated Speech, etc)
- Programmatic Allocations, targeted to support specific goals (e.g. Parent Coordinators, Children First, etc.)



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Impact on School Budgets and Fair Student Funding


The DOE has been working diligently to accommodate reductions in central and field budgets in order to reduce the financial impact to schools.

Despite this work, the cut, combined with unfunded needs creates a gap so large, DOE will be unable to protect schools from substantial reductions.



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Philosophy and Background of Fair Student Funding (FSF)

Philosophy of FSF

- Money follows the student and every school receives the same dollars-per-student based on student attributes.

Background

- Fair Student Funding (FSF) was established in FY 2008.
- Year-over-year budget reductions have impeded the plan – particularly the state’s failure to implement Campaign for Fiscal Equity (CFE) dollars



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How FSF Works

- All schools receive a fixed “foundation” allocation (\$225,000) to pay for the principal, a secretary and other minor administrative costs.
- All schools receive grade weight funding to support basic instruction.
- Schools with special education, English Language Learners, or low academic achievers, receive additional funding.
- Specialized schools such as Career and Technical, Specialized Audition, Specialized Testing and Transfer schools receive additional funding.

EXAMPLE:

John is in 6th grade at a public school in Brooklyn. He is a special education student and an English language learner. Based on his enrollment, his school will receive:



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FSF Weights

	K-5	6-8	9-12
Grade Weights	1.00	1.08	1.03
Need Weights			
Academic Intervention	K-5	6-8	9-12
Poverty	0.24	—	—
Achievement—well below standards	—	0.50	0.40
Achievement—below standards	—	0.35	0.25
ELL	0.40	0.50	0.50
Special Education			
Less than 20%	0.56	0.56	0.56
20–60%	0.68	0.68	0.68
Greater than 60% (self-contained)	1.23	1.23	0.73
Greater than 60% (integrated)	2.28	2.28	2.52
Portfolio Weights	K-5	6-8	9-12
Specialized Audition schools	—	—	0.35
Specialized Selective schools	—	—	0.25
CTE schools	—	—	0.05–0.25
Transfer schools	—	—	0.40

Feedback

Pursuant to Education Law 2590-r, the Chancellor must develop objective formulas for use in allocating revenue among community school districts and schools. The Department of Education uses these formulas, together with an estimate of the total sum of money available to the DOE, to provide community school districts and schools with budget allocations for use in the school-based budgeting process set forth in Chancellor's Regulation B-801.

Today, we would like your input and feedback on Fair Student Funding, our schools' primary source of funding.

- How do we make FSF more equitable?
- How can we distribute funds to maintain reduced class size?
- How can we increase revenue and/or reduce cost?



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Feedback

We value your input. Please provide comments and questions on or before May 17th.

Via email to Budget@schools.nyc.gov

-OR -

By phone to (212) 374-6754.



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