

2014-2015 Proposed Budget Allocation Formula

DRAFT

April 2014



**Department of
Education**

Carmen Fariña, Chancellor

Agenda

- 2014-2015 DOE Budget Overview
- 2014-2015 School Budgets Overview
- 2014-2015 Fair Student Funding Details
- 2014-2015 Contracts for Excellence Overview
- Feedback



**Department of
Education**

Carmen Fariña, Chancellor

2014-2015 DOE Budget

(in thousands of dollars)

Funding Sources	
City	9,808,997
State	8,807,976
Federal	1,772,029
Other Categorical	63,579
Intra-City	25,840
Total Operating Budget	20,478,421
Pensions & Debt Service	5,229,687
2014-2015 Total Budget	25,708,108

as per the February Preliminary Budget for FY2015



Department of Education

Carmen Fariña, Chancellor

BUDGET (\$ in thousands) per the February Preliminary Budget for FY2015

Program Area	U/As	FY15 Plan a/o FY15 February		
		PS	OIPS	TOTAL
School U/As				
- GE Instruction & Sch Leadership	401/402	5,620,616	761,295	6,381,911
- SE Instruction & School Leadership	403/404	1,198,053	6,825	1,204,878
- Citywide SE Instr. & Sch Leadership	421/422	864,217	16,415	880,632
School TL Sub-total		7,682,886	784,535	8,467,421
- Categorical Programs	481/482	1,119,375	786,791	1,906,166
Sub-total School Tax Levy and Categorical Programs		8,802,261	1,571,327	10,373,587
- Charter Schools	406	-	1,192,186	1,192,186
Centrally Managed SE U/As				
- <u>SE Instructional Support</u>	423/424	267,824	267,060	534,884
District & Charter School Sub-total		9,070,084	3,030,572	12,100,657
Support Services and Central Office				
- School Support Organization	415/416	139,125	11,324	150,449
- School Facilities	435/436	382,627	213,767	596,394
- Pupil Transportation	438	-	1,172,208	1,172,208
- School Food Services	439/440	196,044	222,227	418,271
- School Safety	442	-	317,099	317,099
- Energy and Leases	444	-	504,498	504,498
- <u>Central Administration</u>	453/454	135,381	150,193	285,573
Sub-total		853,176	2,591,316	3,444,492
Fringe Benefits (includes school-based staff)	461	3,132,876	-	3,132,876
Non-Public School Payments				
- SE Pre-K Contracts	470	-	1,052,371	1,052,371
- Contract Schools & Foster Care	472	-	676,879	676,879
- Non-Public School & FIT	474	-	71,146	71,146
Sub-total		-	1,800,396	1,800,396
TOTAL		13,056,136	7,422,284	20,478,421

2014-2015 DOE Operating Budget

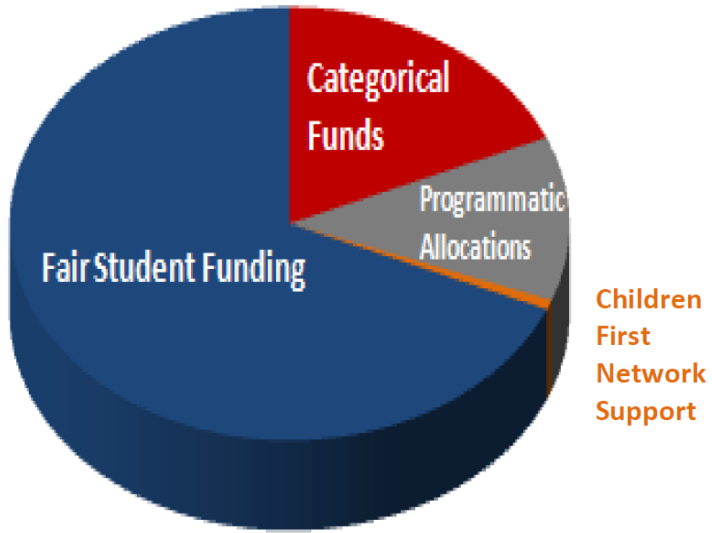
School budgets compose only a portion of the DOE's \$20.5b total operating budget, the remainder of which is spent on services on behalf of students and schools.

School budgets are projected to increase from \$10.097 billion in 2013-2014 to \$10.374 billion in 2014-2015, a 3% increase.

Increases support 2014-2015 Universal Pre-Kindergarten and MS Afterschool Initiatives.

Components of School Budgets:

Funding Streams to Schools



Fair Student Funding:

covers basic instructional needs and is allocated to each school based on the number and need-level attributes of students at the school, adjusted for the school's funding percentage. All money allocated through FSF can be used at the principal's discretion.

Categorical Funds:

are restricted by the State or Federal government on how they can be distributed to and used by schools. Examples include C4E, Title I, Title III and other programs such as IDEA, Universal Pre-K, and Attendance Improvement/ Dropout Prevention.

Programmatic Allocations:

include City initiatives that are outside of Fair Student Funding because of their unique structure or priority, such as the parent coordinator initiative. These funds are often restricted and can only be spent on certain services.

2014-2015 FAIR STUDENT FUNDING



**Department of
Education**

Carmen Fariña, Chancellor

Philosophy and Background of Fair Student Funding (FSF)

Philosophy of FSF

- Money follows the student and every school is entitled to the same dollars-per-student based on student educational need attributes. Allocation is independent of schools' individual salary structure, but is funded for citywide increases in average salary.
- FSF dollars are fully flexible. After meeting mandated obligations, schools schedule their FSF dollars to meet the goals of their instructional program.

Background

- Fair Student Funding (FSF) was established in FY 2008 in NYC Community Schools at a time when Campaign for Fiscal Equity funds were awarded to the City.

Fair Student Funding Formula

- All schools receive a fixed “foundation” allocation (\$225,000) to pay for the principal, a secretary and other administrative costs.
- All schools receive grade level based funding to support basic mandated instruction including the classroom teacher, teacher coverage, support staff and educational materials.
- Schools serving students with disabilities, English language learners, or low academic achievers receive additional funding.
- Specialized High Schools such as Career and Technical, Specialized Audition, Specialized Testing and Transfer schools receive additional per pupil funding.

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



**Department of
Education**

Carmen Fariña, Chancellor

2014-2015 PROPOSED FAIR STUDENT FUNDING BUDGET ALLOCATION FORMULA

FSF Weight	FSF Component	FY15 Proposed FSF Weight	FY15 Proposed Per Capita
------------	---------------	--------------------------	--------------------------

FSF Grade Weight

Grade Weight	K-5	1.00	\$ 4,123
	6-8	1.08	\$ 4,453
	9-12	1.03	\$ 4,246

FSF AIS

Academic Intervention	Poverty Count K-12	0.12	\$ 495
	4-5 Well Below	0.40	\$ 1,649
	4-5 Below	0.25	\$ 1,030
	6-8 Well Below	0.50	\$ 2,062
	6-8 Below	0.35	\$ 1,443
	9-12 Well Below	0.40	\$ 1,649
	9-12 Below	0.25	\$ 1,030
	9-12 Overage Undercredited OTC	0.40	\$ 1,649

FSF ELL

English Language Learners	ELL K-5	0.40	\$ 1,649
	ELL 6-8	0.50	\$ 2,062
	ELL 9-12	0.50	\$ 2,062

FSF SE

Special Education	Single Service <=20%	0.56	\$ 2,309
	Multiple Services 21% to 59%	1.25	\$ 5,156
	SC K-8 Filled Seats	1.18	\$ 4,868
	SC 9-12 Filled Seats	0.58	\$ 2,408
	ICT Kindergarten Filled Seats	2.09	\$ 8,609
	ICT 1-5 Filled Seats	1.74	\$ 7,174
	ICT 6-8 Filled Seats	1.74	\$ 7,174
	ICT 9-12 Filled Seats	1.74	\$ 7,174
	Post-IEP Transitional Support	0.12	\$ 500

FSF Portfolio HS

Portfolio Schools	CTE Nursing	0.26	\$ 1,072
	CTE Hlth/Tr/Tech	0.17	\$ 701
	CTE Business	0.12	\$ 494
	CTE HomeEc/Arts	0.05	\$ 206
	Academic	0.25	\$ 1,030
	Audition	0.35	\$ 1,443
	Transfer Heavy Challenge	0.40	\$ 1,649
	Transfer Non-Heavy Challenge	0.21	\$ 859

2014-2015
proposed
Fair Student
Funding
formula
weights
remain
unchanged
from the
2013-2014
weights.

Alignment of FSF AIS Population with the Common Core Test

In line with the New York State Education Department (NYSED) guidance (amended NYS Commissioners Regulation 100.2ee) “to ensure that existing support services remain relevant and appropriate as New York implements the Common Core Learning Standards,” funding for FSF Academic Intervention Services (AIS) captures NYSED approved cut points for required AIS services. For FSF AIS funding, students are evaluated based on the 2013 scale scores that are approximately equivalent on a percentile basis to the level 1 and level 2 cut points in 2012.

In the past: FSF funded all Level 1 and Level 2 students.

Now: FSF uses the State level 1 and level 2 equivalent scores to identify students for AIS.

	ELA Level 2		ELA Level 3		Math Level 2		Math Level 3	
	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score
Grade 3	644	264	664	299	663	255	684	293
Grade 4	638	253	671	296	637	243	677	284
Grade 5	648	257	668	297	641	250	676	289
Grade 6	644	256	662	297	640	252	674	289
Grade 7	642	252	665	301	641	253	671	290
Grade 8	629	248	659	302	639	248	674	293

Note: Cut Score is defined as the minimum score required to be classified in a given performance level designation and is obtainable in the 2012 raw score to scale score conversion. Numbers under "Matched 2013 Scale Score" represent the scale score in 2013 that corresponds to the 2012 cut score, and is not the 2013 cut score.

Total DOE Funding of Academic Intervention Services Remains Unchanged

In 2014-2015 \$13 million will be shifted from FSF AIS to a programmatic allocation for AIS services. Changes in FSF AIS funding are due to:

- Year-over-year changes in student populations
- State re-evaluation of students mandated for AIS
- Funding from closing schools

These funds will be re-allocated to support struggling students through a School Allocation Memoranda (SAM) targeted specifically to students performing below proficiency standards. In 2013-2014 the supplemental SAM for Academic Intervention Services provided an additional \$10 million to schools. In 2014-2015 the additional SAM funding for AIS will grow to \$23 million.



2014-2015 CONTRACTS FOR EXCELLENCE



**Department of
Education**

Carmen Fariña, Chancellor

Contracts for Excellence Overview

The New York City Department of Education receives a portion of its overall budget in the form of Foundation Aid from New York State.

For the past 7 years NYCDOE has received Contracts for Excellence (C4E), funding from the NY State Education Department that is to be used in very specific ways. These are funds that, under State law, must be distributed to certain schools and must be spent by those schools in specific program areas.

Funds must support specific program initiatives:

- *Class Size Reduction*
- *Time on Task*
- *Teacher & Principal Quality Initiatives*
- *Middle & High School Restructuring*
- *Full-Day Pre-Kindergarten Programs*
- *Model Programs for English Language Learners*

Funds must go to students with the greatest educational need:

- *English Language Learners*
- *Students in Poverty*
- *Students with Disabilities*
- *Students with Low Academic Achievement or At Risk of Not Graduating*



**Department of
Education**

Carmen Fariña, Chancellor

2014-2015 Contracts for Excellence

- New York State has not kept up with its Foundation Aid and CFE obligations to fund New York City schools
- NYC remains \$2.5 billion dollars per year below its Foundation and C4E entitlement from the State.
- There are no new Contract for Excellence funds to apply towards new or expanded programs.

CFE COURT ORDERED STATE FUNDING FOR NYC DOE Adequate Basic Education

Student Count	1,277,083
Foundation Aid per Pupil	\$6,857
NYC CFE Total Entitlement	\$8,756,945,360

2014-2015 STATE FUNDING FOR NYC DOE

as of the 2014-2015 NYS Adopted Budget

Foundation Aid	\$6,477,367,713
Gap Elimination Adjustment	(\$249,354,648)
2014-2015 NYS Foundation Aid Funding	\$6,228,013,065

2014-2015 NYC DOE STATE FUNDING SHORTFALL

Estimated CFE Shortfall	(\$2,528,932,295)
--------------------------------	--------------------------

Totals may not sum due to rounding.

Estimates based on 03/26/2014 DOE pupil counts



**Department of
Education**

Carmen Fariña, Chancellor

2014-2015 Contracts for Excellence

Future meetings will be scheduled to review planned 2014-2015 Contracts for Excellence spending, and receive public comment.

The public process will include:

- (1) a 30-day public comment period to provide an opportunity for parents and persons in parental relation, teachers, administrators, and distinguished educators appointed pursuant to Education Law section 211-c to submit written comments on the school district's proposed Contract for Excellence;
- (2) public hearing(s) to provide an opportunity for oral and written comments to be submitted by any interested party; and
- (3) preparation of a public comment record and assessment by the school district.



**Department of
Education**

Carmen Fariña, Chancellor

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.

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

A copy of this deck can be found at: <http://schools.nyc.gov/Offices/DBOR/default.htm>

Please provide comments and questions on or before May 13th.

Via email to Budget@schools.nyc.gov

-OR -

By phone to (212) 374-6754.