

THE COUNCIL OF THE CITY OF NEW YORK

Speaker of the Council
Christine C. Quinn



Hon. Robert Jackson, Chair, Education Committee

Hearing on the Mayor's Fiscal 2013 Preliminary Budget & the Fiscal 2012 Preliminary Mayor's Management Report

Department of Education

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Regina Poreda Ryan, Assistant Director
Eisha N. Wright, Unit Head
Christina Perrotti, Legislative Financial Analyst

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Department of Education Overview

The Department of Education provides primary and secondary education to over one million pre-kindergarten to grade 12 students in 32 school districts and roughly 1,700 schools. The DOE prepares students to meet grade level standards in reading, writing and math, and prepares high school students to pass Regents exams and to meet graduation requirements. The Department also provides adult literacy education through its Office of Adult and Continuing Education (OACE). The Department also operates the school food service program, maintains public school buildings and offices, and provides transportation services to students. Additionally, the DOE provides special education instructional services and related therapies to students enrolled in both public and private school settings. Finally, the Department distributes categorical supports to non-public schools and service providers.

In order to provide these services, the Department of Education operates with a \$19.5 billion expense budget and more than 116,000 employees, including approximately 74,000 teachers. Coupled with \$4.6 billion in debt service and pension costs not included in the agency's operating budget, the Department's budget constitutes roughly a third of the City's \$67.5 billion total budget. This report provides an overview and analysis of the Department of Education's Fiscal 2013 Preliminary Expense Budget and the Fiscal 2012 Preliminary Mayor's Management Report. It includes budget highlights and issues, as well as a discussion of the agency's revenue, notable program areas, and headcount. This report does not discuss the Department's pension, debt service or capital budget.

Fiscal 2013 Preliminary Budget Highlights

Table 1 - Department of Education Fiscal 2013 Preliminary Budget

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Personal Services	\$12,343,883	\$12,623,227	\$12,677,576	\$12,601,845	(\$21,382)
Other Than Personal Services	6,468,582	6,799,342	6,772,551	7,030,367	231,025
DOE TOTAL	\$18,812,465	\$19,422,569	\$19,450,126	\$19,632,211	\$209,643

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

The Fiscal 2013 Preliminary Budget increases by \$209.6 million or 1.1 percent as compared to the Adopted Budget for Fiscal 2012. The New York City's Office of Management and Budget (OMB) has suggested that year-to-year increases would have to reach roughly \$900 million in order to maintain service levels due to rising costs of providing education services. The Fiscal 2013 projected budget increase falls far short of meeting this need. Table 1 shows that the net funding increase is the result of a \$21.4 million reduction in personal services (PS) and a \$231 million increase in other than personal services (OTPS). As will be discussed further in this report, this change reflects the continuing pull of resources away from direct services, mostly general education in public schools, and towards contractual spending on mandatory services, principally special education.

There are several notable highlights of the Preliminary Budget, outlined below, which will be discussed further following the Financial Plan Summary:

- School Budget Funding.** The Preliminary Budget proposes to decrease funding in General Education Instruction and School Leadership personal services by \$184.7 million and the Financial Plan includes a corresponding headcount reduction of 864 full-time pedagogical employees. While the Financial Plan does not show how the DOE will fund schools, school budgets are generally comprised of funding from three program areas, of which General Education Instruction and School Leadership is the largest. The overall funding reduction in the three program areas is \$64.1 million and the net, school-based, full-time pedagogical headcount reduction in the Financial Plan is 1,117 positions.
- November Plan PEGs.** The November 2011 Financial Plan included a \$301.2 million Program to Eliminate the Gap (PEG) program for Fiscal 2013, which was 1.5 percent of the DOE’s Fiscal 2013 budget as of the Adopted Plan. As shown in Table 2, the PEGs are primarily re-estimates and efficiency reductions, none of which should result in service reductions, and new revenue. The spending re-estimates that comprise the \$116.2 million special education-related PEGs simply serve to slow the projected spending growth rate. Even with these PEGs, the Financial Plan shows a \$96.5 million increase for Special Education Instructional Supports and Special Education Pre-K Contracts. Cumulatively these budget areas are still projected to increase by 5.3 percent.

Table 2 - Fiscal 2013 Programs to Eliminate the Gap

Dollars in thousands

Spending Re-estimates

Special Education Related Services Savings	\$18,000
Pre-K Handicapped Savings	14,400
Pre-K Handicapped Tuition and Related Services Reduction	21,500
Lease Savings	10,000
Subtotal	\$63,900

Spending Reductions

Facilities PS Efficiencies	\$5,000
Facilities OTPS Efficiencies	20,000
Subtotal	\$25,000

Revenue

Medicaid	\$50,000
Special Education Pre-K	62,300
Building Aid for GO Debt Service	100,000
Subtotal	\$212,300

TOTAL PEGs	\$301,200
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- Medicaid Revenue.** The Fiscal 2012 Adopted Budget projected a \$100 million increase in federal Medicaid revenue for Fiscal 2012 bringing the baseline revenue projection to \$117 million. The Department increased its revenue projection from \$17 million to \$117 million in Fiscal 2012 when a temporary suspension of Medicaid billing imposed by the State was lifted in April 2011. The ballpark estimate was based on limited data and revenue actuals prior to Fiscal 2006 when there were less rigorous billing requirements.

Thus far this year the Department has submitted claims for \$25.4 million to Medicaid for targeted case management services provided to students in prior years. The DOE has not submitted any new claims. The Fiscal 2012 revenue estimate has not been revised since the current plan was adopted last June, despite the DOE having reached less than a quarter of its target with only four months remaining in the fiscal year. There is a significant risk that the DOE will fall considerably short of its estimate, leaving a Fiscal 2012 budget gap to be filled.

In addition, the November Plan’s Medicaid revenue PEG adds \$50 million to the projection, bringing the total estimate for Medicaid revenue to \$167 million in Fiscal 2013. The PEG replaces CTL funds with federal revenue. Like the projection included in the Adopted Plan, this estimate was loosely based on limited data and it is unclear how likely the DOE will be able to achieve this target.

Council Initiatives and Funding

The City Council added \$10.8 million to the City’s Fiscal 2012 Budget to fund a variety of education initiatives, which are listed in Table 3. None of this funding was base-lined.

Table 3 - Fiscal 2012 Council Changes at Adoption	
<i>Dollars in Thousands</i>	
General Education Instruction & School Leadership	
Bridge to Tomorrow	\$1,250
C.H.A.M.P.S.	125
Full Day Universal Pre-K	2,250
Subtotal	\$3,625
Central Administration	
Council of School Supervisors & Admins.	\$300
Dropout Prevention & Intervention	1,000
MOUSE	275
Respect for All	150
Urban Advantage - Science Education	2,000
Subtotal	\$3,725
School Facilities	
Custodial Operations	\$3,000
Changes in Other Agencies	
Creative Arts Team	\$200
Jill Chaifitz Helpline	200
Subtotal	\$400
TOTAL	\$10,750

Financial Plan Summary

The Department's expense budget is organized by unit of appropriation (U/A), each of which represents a function of the Department. The Financial Plan Summary table displays the DOE's budget by U/A. For direct service areas, meaning functions and services performed by DOE employees, the related PS and OTPS units of appropriation are paired. In the non-direct service areas, meaning functions that the DOE contracts out to private providers and programmatic funding allocations that flow through the DOE's budget to non-public schools and service providers, only OTPS units of appropriation exist. These U/As are bundled into the following 12 programs:

1. Public Schools (U/As 401, 402, 403, 404, 481 and 482);
2. Special Education (U/As 421, 422, 423 and 424);
3. Charters/Contract/Foster Care (U/A 472);
4. Special Education Pre-Kindergarten (U/A 470);
5. Pupil Transportation (U/A 438);
6. School Facilities, Energy and Leases (U/As 435, 436 and 444);
7. School Food Services (U/As 439 and 440);
8. Central Administration (U/As 453 and 454);
9. Fringe Benefits and Collective Bargaining (U/As 461 and 491);
10. School Support Services (U/As 415 and 416);
11. School Safety (U/A 442); and
12. Non-Public Schools and FIT (U/A 474).

The Financial Plan Summary illustrated in Table 4 shows the Department's budget by U/A. The discussion of Program Areas on pages 9-28 provide further detail for notable program areas. The program areas for which there are no significant budget actions are not discussed in detail. They are: Fringe Benefits and Collective Bargaining, School Support Services, School Safety, and Non-Public Schools and FIT.

Table 4 - Financial Plan Summary

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Budget by Unit of Appropriation					
401 - GE Instr. & Sch Ldrshp - PS	\$5,268,678	\$5,634,683	\$5,632,823	\$5,450,009	(\$184,674)
402 - GE Instr. & Sch Ldrshp - OTPS	611,195	484,564	507,540	487,396	2,831
403 - SE Instr. & Sch Ldrshp - PS	1,046,360	1,050,959	1,050,959	1,099,020	48,061
404 - SE Instr. & Sch Ldrshp - OTPS	2,799	6,825	6,825	6,825	0
481 - Categorical Programs - PS	1,535,244	1,316,428	1,359,978	1,320,710	4,282
482 - Categorical Programs - OTPS	896,558	722,481	772,104	787,895	65,415
421 - Citywide SE Instr. & Sch Ldrshp - PS	752,292	771,490	771,490	807,302	35,812
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	18,862	23,415	23,415	23,415	0
423 - SE Instructional Support - PS	237,753	246,360	246,360	258,021	11,661
424 - SE Instructional Support - OTPS	272,118	351,838	333,838	372,569	20,731
472 - Charter/Contract/Foster Care - OTPS	1,161,576	1,496,986	1,476,902	1,562,841	65,855
470 - SE Pre-K Contracts - OTPS	943,426	1,129,313	1,084,901	1,193,402	64,088
438 - Pupil Transportation - OTPS	1,017,219	1,079,761	1,075,573	1,132,163	52,403
435 - School Facilities - PS	414,770	401,322	396,407	393,322	(8,000)
436 - School Facilities - OTPS	348,927	201,297	221,620	201,891	594
444 - Energy & Leases - OTPS	468,567	512,151	502,151	502,151	(10,000)
439 - School Food Services - PS	199,749	187,898	198,898	198,898	11,000
440 - School Food Services - OTPS	180,242	238,832	215,832	211,393	(27,439)
453 - Central Administration - PS	167,625	143,197	143,665	143,665	468
454 - Central Administration - OTPS	166,802	164,960	164,930	159,588	(5,372)
461 - Fringe Benefits - PS	2,588,266	2,740,127	2,746,232	2,799,965	59,837
491 - Collective Bargaining - PS	12,309	0	0	0	0
415 - School Support Orgs. - PS	120,836	130,762	130,762	130,932	170
416 - School Support Orgs. - OTPS	13,084	13,752	13,752	13,752	0
442 - School Safety - OTPS	297,900	302,021	302,021	303,940	1,919
474 - Non-Public and FIT - OTPS	69,308	71,146	71,146	71,146	0
TOTAL	\$18,812,465	\$19,422,569	\$19,450,126	\$19,632,211	\$209,643

The Financial Plan Summary shows that nearly all of the projected net growth in the DOE's budget is for mandated special education services. Increases in Citywide Special Education, Special Education Instructional Support, Special Education Pre-Kindergarten Contracts, and Charter/Contracts/Foster Care would total \$198.1 million in Fiscal 2013. At the same time, General Education Instructional Support and School Leadership would decrease by \$181.8 million. Specific budget actions will be discussed for each program area further in this report.

In addition, the Preliminary Budget includes a \$59.8 million increase in Fringe Benefits from Fiscal 2012 to Fiscal 2013. The 2.2 percent increase is less growth than was projected in the November Plan, which estimated a 5.1 percent or \$83.9 million increase in spending. The projected reduction in growth stems in part from a one point HIP rate reduction, resulting in savings of \$16.5 million in Fiscal 2013 for employee health insurance costs.

Funding Summary

Table 5 - Funding for the Department of Education

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013	2013 Percent of Total
City	\$7,737,242	\$9,282,147	\$9,127,360	\$9,222,108	(\$60,039)	47.0%
State						
Foundation Aid	\$5,429,914	\$5,326,696	\$5,326,696	\$5,461,770	\$135,074	27.8%
Formula Aid	1,336,517	1,362,883	1,352,538	1,397,055	34,172	7.1%
Building Aid	478,125	478,125	478,125	478,125	0	2.4%
Categorical Programs	890,644	329,336	326,271	321,088	(8,248)	1.6%
Special Education Pre-K	569,021	580,766	618,366	680,258	99,492	3.5%
State Food Programs	11,583	13,657	13,657	13,657	0	0.1%
Revenue in Other Agencies	N/A	(7,900)	(2,500)	(2,500)	5,400	0.0%
Subtotal State	\$8,122,800	\$8,108,562	\$8,113,153	\$8,349,454	\$240,892	42.5%
Federal						0.0%
Title I	\$768,757	\$795,800	\$810,125	\$795,800	\$0	4.1%
Title IIA	126,640	127,802	111,715	111,715	(16,087)	0.6%
IDEA	280,632	269,782	276,463	269,782	0	1.4%
Medicaid	17,000	117,000	117,000	167,000	50,000	0.9%
RTTT	0	86,112	86,714	94,450	8,338	0.5%
ARRA	1,008,008	12,231	113,137	2,038	(10,193)	0.0%
School Lunch	268,138	264,676	264,676	264,676	0	1.3%
Other	N/A	248,039	262,483	251,069	3,030	1.3%
Federal CD	6,835	5,000	5,000	4,500	(500)	0.0%
Subtotal Federal	\$2,794,571	\$1,921,442	\$2,042,313	\$1,956,530	\$35,088	10.0%
Intracity	\$31,040	\$16,198	\$39,433	\$8,784	(\$7,414)	0.0%
Other Categorical	\$253,246	\$94,970	\$128,618	\$96,618	\$1,648	0.5%
TOTAL DOE FUNDING	\$18,938,899	\$19,423,319	\$19,450,877	\$19,633,494	\$210,175	100.0%
Miscellaneous	\$68,250	\$64,874	\$64,874	\$57,874	(\$7,000)	0.3%
TOTAL incl. Miscellaneous	\$19,007,149	\$19,488,193	\$19,515,751	\$19,691,368	\$203,175	100.3%

Source: New York City Office of Management and Budget, "Monitors' Briefing Package", FY 2013 November Budget and FY 2013 January Plan; and Office of the New York City Comptroller, "Annual Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2011"

The Department of Education receives federal and State aid in addition to its City Tax Levy (CTL) funds. Table 5 below shows the various funding sources, including notable State and federal aids. The City's Financial Plan does not include the DOE's miscellaneous revenue in the agency's total budget. Miscellaneous revenue would total \$57.9 million in Fiscal 2013 and includes school lunch fees, \$20.1 million; grant refunds, \$2.8 million; extended use of school buildings fees, \$28 million; and sundries such as United Federation of Teachers (UFT) fees, \$7 million. Miscellaneous fees represent only 0.3 percent of the Department's entire budget.

Other Categorical revenue in Fiscal 2013 includes private grants, \$35 million; SCA construction, \$41.2 million; non-resident tuition, \$3.3 million; and the retirement system (BERS), \$5 million; and supplement welfare benefit from the City's Miscellaneous budget, \$12.2 million. The "Percent of Total" column in the table refers to the percent of the DOE's total budget.

The City's share of the DOE's budget has been increasing for several years and would constitute 47 percent of the budget in Fiscal 2013. The State and federal shares would be 42.5 percent and 10 percent, respectively in Fiscal 2013. In contrast, in Fiscal 2011 CTL funds made up 40.9 percent of the Department's budget, State funds made up 42.9 percent of the budget, and federal funds constituted 14.8 percent. The difference between Fiscal 2011 and Fiscal 2013 stems largely from two significant CTL funding increases made in Fiscal 2012 that added almost \$1.7 billion in CTL to the DOE's budget:

- **Discontinuation of American Recovery and Reinvestment Act (ARRA)**

In Fiscal 2010 and 2011 the Federal government allocated ARRA funds to states in order to help them maintain services through the economic recession that began in 2008. In Fiscal 2011 the DOE received \$853 million in ARRA funding, which enabled the Department to support over 14,000 pedagogical positions that would have otherwise been eliminated. The two-year ARRA program was discontinued after Fiscal 2011, though some program-specific ARRA funds have been rolled to Fiscal 2012 and 2013. In Fiscal 2012 the City added \$853 million to the DOE's baseline budget to replace the expired ARRA funding.

- **State Gap Elimination Adjustment**

In Fiscal 2012 the Governor imposed a Gap Elimination Adjustment (GEA) to help control education spending growth in the State. The GEA reduced the DOE's State aid by \$840.1 million in Fiscal 2012 and the out-years. The Financial Plan scheduled this as a cut to Foundation Aid. The City added funding to replace the State aid cut in Fiscal 2012.

City Funds

CTL is projected to decrease by \$60 million from Fiscal 2012 to Fiscal 2013. The net reduction stems from a variety of adjustments in projected spending and City funding made to the Financial Plan since adoption of the Fiscal 2012 Budget as well as previously projected changes. The November Plan introduced a \$301.2 million PEG program for Fiscal 2013, including a Building Aid PEG that is projected to save the City \$100 million by swapping City funds for State funds.

- **PEG: Building Aid for GO Debt Service (\$100 million)**

The City receives State Building Aid to pay for school capital projects. These payments are not part of the Department's budget. However, the DOE received a \$100 million PEG credit for Fiscal 2013 because Building Aid for debt service is projected to be in excess of debt service payments that the City must make. While this funding swap produces a CTL savings for the City, the DOE's CTL budget remains unchanged. The PEG reduces the City's spending on the Department while having a net zero impact on the DOE.

In addition to the \$301.2 million PEG package, a one point reduction in the projected HIP rate led to a \$16.5 million CTL reduction, and a State pension adjustment swapped \$5.4 million in CTL funds for State funds.

State Aid

State funding for Fiscal 2013 increases by \$240.9 million from the Adopted Budget to the Preliminary Budget for Fiscal 2013 and totals \$8.3 billion. This growth is primarily due to recognition of State aid growth proposed by the Governor in his Executive Budget for 2012-2013. The State Executive Budget includes a 2.7 percent or \$179.6 million increase in school aid for the City, exclusive of Building Aid and competitively awarded State aid. The City's Financial Plan schedules the increase as a \$135 million increase to Foundation Aid. The remainder of the Governor's proposed increase effects Formula Aids and these changes had already been projected in the Financial Plan.

Notably, the Preliminary Budget revises its Fiscal 2013 projection of State aid for special education pre-k by \$62.3 million from the Adopted Budget. The increase stems from previously projected spending growth and a re-estimate reflected as a PEG in the November 2011 Financial Plan.

- **PEG: Special Education Pre-K Revenue** **(\$62.3 million)**
The OMB generally bases the special education pre-kindergarten revenue estimate on the State-appropriated rate of 59.9 percent to reimburse the DOE for special education pre-k services. However, the authorized rate by law is 69.5 percent. The OMB recognized the additional, \$62.3 million in Fiscal 2013 by basing its revenue estimate on the authorized rate rather than the appropriated rate. The OMB estimates that the State owes the DOE \$1 billion in special education pre-k reimbursements and is working to recover these funds and obtain full reimbursement in the future.

Additional adjustments impacting State revenue in Fiscal 2012 and 2013 that will be addressed later in this report include the expiration of the Mobility Tax, a freeze to school aid in Fiscal 2012 as per the Governor's Budget, and other technical adjustments.

Federal Aid

The Preliminary Budget projects a \$35.1 million net increase in federal aid, mostly due to a PEG that recognizes an additional \$50 million in Medicaid revenue.

- **PEG: Medicaid Revenue** **(\$50 million)**
As mentioned earlier, the November Plan introduced a \$50 million revenue PEG that would increase the total Medicaid revenue projection to \$167 million in Fiscal 2013. According to the DOE, the PEG would be achieved by claiming Medicaid for related services provided to contract school students, which the DOE has not previously attempted. The revenue estimate is based on very limited data and therefore susceptible to deviation, making it a budget risk. There is already a significant risk that the DOE will not meet its Fiscal 2012 revenue estimate, making the Fiscal 2013 projection even more concerning.

The DOE can bill Medicaid for certain special education related services that it provides to students, which are funded in the following program areas: Citywide Special Education; Special Education Instructional Support; Charters, Contract Schools, and Foster Care; Special Education Pre-Kindergarten; and Pupil Transportation.

Table 5 also reflects the discontinuation of ARRA funding, which would decrease by \$10.2 million to only \$2 million in Fiscal 2013. Though ARRA funding was discontinued after Fiscal 2011, unspent allocations for particular programs were rolled to Fiscal 2012 and 2013 resulting in small amounts of funds in these fiscal years.

School Budgets

The City’s almost 1,700 public schools each have an individual school budget that is funded by the Department through a variety of allocation formulas and pass-throughs. All of the funding that is allocated to schools to support their operations is budgeted centrally within three program areas:

- General Education Instruction & School Leadership (U/As 401 & 402);
- Special Education Instruction & School Leadership (U/As 403 & 404); and
- Categorical Programs (U/As 481 & 482).

Though not all of the money budgeted in these U/As funds schools’ budgets, school budgets will generally be impacted by actions in the corresponding program areas. This section provides an overview of the parts of the DOE’s budget that fund public schools’ budgets and support school-based jobs, and then each of the three program areas will be examined in more detail.

The City’s budget does not include information on how much money any individual school receives, and it does not show how many employees any particular school has or what specific courses of study are available. The budget information is citywide. More detailed school-level budgetary information is made available by the DOE on its website. See: <http://schools.nyc.gov>.

Table 6 - School Budgets - U/As 401 & 402, 403 & 404, 481 & 482					
	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Personal Services	\$7,850,282	\$8,002,070	\$8,043,761	\$7,869,740	(\$132,330)
Other Than Personal Services	1,510,552	1,213,870	1,286,469	1,282,116	68,246
TOTAL	\$9,360,835	\$9,215,940	\$9,330,230	\$9,151,856	(\$64,084)
Positions					
FT Pedagogical	93,753	91,825	91,825	90,708	(1,117)
FT Non-Pedagogical	3,083	3,965	4,565	4,565	600
TOTAL	96,836	95,790	96,390	95,273	(517)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

The Fiscal 2012 Budget included a \$189 million cut to school funding resulting in a headcount reduction of 2,212 teachers through attrition and the layoff of 656 school aides, parent coordinators, and other non-pedagogical staff. As shown in Table 6 above, the Preliminary Budget again reduces the funds available for school budgets by \$64.1 million. The net reduction would include a \$132.3 million or 1.7 percent decrease in PS spending and a \$68.2 million increase in OTPS. This is not a newly imposed budget cut, but rather is a decline in the underlying baseline budget.

School OTPS has typically been underfunded at adoption. In Fiscal 2010 OTPS spending increased from adoption to year-end close by \$214.5 million or 18.1 percent; in Fiscal 2011 the increase was \$248.1 million or 19.7 percent. The Preliminary Budget includes a \$72.6 million or six percent increase in Fiscal 2012 OTPS spending and a \$68.2 million increase in Fiscal 2013 from adoption. Despite these increases, it seems the projections might still fall short of actual spending. In Fiscal 2010 and 2011 OTPS actuals were respectively \$1.4 billion and \$1.5 billion; projected Fiscal 2012 and 2013 OTPS spending levels are just each \$1.3 billion.

The addition of 600 full-time non-pedagogical staff stems from a combination of the 656 layoffs and aligning headcount with principals' decisions to convert part-time staff to full-time employees. An overall headcount reduction of 517 full-time positions reflects the \$132.3 million drop in personal services funding. This reduction would include a loss of 1,117 full-time pedagogical staff. The DOE has reduced its teacher headcount several years in a row, as seen in table 7 below.

Table 7 - Teacher Headcount

Performance Statistics	Actual			Target		4-Month Actual	4-Month Actual
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 11	FY 12
Teachers	79,021	76,795	74,958	*	*	74,958	73,714
Teachers with 5 or more years teaching experience (%)	64.4%	69.2%	72.2%	*	*	72.3%	74.6%
Teachers hired to fill projected vacancies (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Principals with more than 3 years' experience as principal (%)	53.5%	59.7%	61.3%	*	*	NA	NA
Teachers absent more than 10 days (%)	12.9%	12.6%	12.8%	*	*	1.2%	1.3%

Source: Fiscal 2012 Preliminary Mayor's Management Report

Reductions in teaching staff year after year are in part a cause of the increases in class size demonstrated in Table 8. A reduction in funds available for school budgets would likely cause class sizes to rise again next school year. The reduction to school budget funding scheduled for Fiscal 2013 would fall entirely in General Education Instruction & School Leadership, including the headcount reduction of 2,570 pedagogues from the current Fiscal 2012 level.

Table 8 - Class Size Performance Measures

Grade Level	Average Class Size				
	FY 09	FY 10	FY 11	4-Month Actual FY 11	4-Month Actual FY 12
Kindergarten	20.7	21.7	22.1	22.0	22.8
Grade 1	21.3	22.0	22.9	22.9	24.0
Grade 2	21.4	22.2	23.2	23.2	24.2
Grade 3	21.9	22.5	23.7	23.8	24.6
Grade 4	23.4	24.4	25.0	25.0	25.3
Grade 5	24.2	24.8	25.4	25.4	25.7
Grade 6	25.6	26.1	26.2	26.3	27.0
Grade 7	26.5	26.8	27.1	27.1	27.2
Grade 8	26.8	27.5	27.3	27.4	27.4

Source: Fiscal 2012 Preliminary Mayor's Management Report

General Education Instruction and School Leadership

The first two units of appropriation in the DOE’s budget support the core school programs – general education instruction and school leadership. This is a vast category that encompasses classroom teachers, substitute teachers, coaches, core subject area teachers, school administrators, assistant principals, deans, guidance counselors, school aids, text books, copying, teaching artists and all the other many personnel and supplies that schools use. Since Fiscal 2012, funding for networks that provide operational and instructional support to schools are also included here. As Table 9 indicates, this area of spending is huge, amounting to roughly \$6 billion or 28 percent of the Department’s budget and eight percent of the City’s entire \$67.5 billion expense budget. Most of school spending is for pedagogical staff salaries, overtime, and per session pay. The budget shows that schools will employ almost 59,000 pedagogical staff next year, and an additional 3,900 non-pedagogical staff.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013
Spending					
Personal Services Subtotal	\$5,268,678	\$5,634,683	\$5,632,823	\$5,450,009	(\$184,674)
Full-Time Non-Pedagogical	105,209	113,901	112,041	112,278	(1,623)
Full-Time Pedagogical	4,477,214	4,873,373	4,873,373	4,737,322	(136,051)
Other Salaried and Unsalaries	368,587	276,415	276,415	259,415	(17,000)
Additional Gross Pay	230,419	287,503	287,503	257,503	(30,000)
Overtime Civilian	5,159	2,100	2,100	2,100	0
Other	82,089	81,393	81,393	81,393	0
Other Than Personal Services	\$611,195	\$484,564	\$507,540	\$487,396	\$2,831
TOTAL	\$5,879,873	\$6,119,247	\$6,140,364	\$5,937,405	(\$181,842)
Positions					
FT Pedagogical	58,804	59,701	61,407	58,837	(864)
FT Non-Pedagogical	2,530	3,316	3,916	3,916	600
TOTAL	61,334	63,017	65,323	62,753	(264)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

Table 9 illustrates that the \$64.1 million drop in the total funds available for school budgets reflects a \$181.8 million cut to general education and a shift of resources out of general education and into special education. PS spending, U/A 401, would decrease by \$184.7 million or 3.3 percent; \$136.1 million or nearly three-quarters of this reduction would be to funding for full-time pedagogical staff. The impact of the cut will remain uncertain until the DOE releases school budgets and principals submit their spending proposals. However, cuts in personal services generally lead to larger class sizes, fewer Academic Intervention Services staff, and less extra instruction such as that which is provided in after-school and Saturday school programs.

Personal Services

Table 9 shows a headcount reduction of 864 pedagogical staff, most of whom are general education teachers, from the Adopted Budget to the Fiscal 2013 Preliminary Budget. However, the projected headcount reduction in U/A 401 from Fiscal 2012 to Fiscal 2013 is actually 2,570 positions when comparing the Fiscal 2013 headcount estimate to the Fiscal 2012 headcount as of the Preliminary Budget because the DOE has realigned headcount since adoption.

February 2012 Financial Plan Changes

- **Headcount Realignment**

The February 2012 Financial Plan increased the general education full-time headcount by 2,306 positions beginning in Fiscal 2012. The increase is comprised of a net growth of 825 positions and a transfer of 1,706 positions out of U/A 481 – Categorical Programs, and various other shifts. As discussed previously, the increase of 600 full-time non-pedagogical staff stems from principals converting employees from part-time staff to full-time.

The year-over-year changes shown in Table 9 are inclusive of several initiatives undertaken in the Adopted Fiscal 2012 Budget to avert 4,278 teacher layoffs and shrink the Administration's proposed \$350 million cut to school budgets. Table 10 shows the school budget cut proposed in the November 2010 Financial Plan and how it was eventually restructured in the Fiscal 2012 Adopted Budget. A re-estimate of the attrition rate and a series of budget actions reduced the Fiscal 2012 school cut to \$189 million and eliminated all teacher layoffs, but left attrition of 2,212 teachers in Fiscal 2012.

Table 10 - Fiscal 2012 School Budget Cut

<i>Dollars in thousands</i>	Fiscal 2012		Fiscal 2013	
	Value	Headcount	Value	Headcount
November 2010 School Cut				
Teacher Layoff PEG	(\$269,048)	(4,278)	(\$269,048)	(4,268)
Teacher Attrition PEG	(81,000)	(1,500)	(81,000)	(1,500)
Total School Cut	(\$350,048)	(5,778)	(\$350,048)	(5,768)
Fiscal 2012 Adoption Changes				
PEG Re-estimates				
Teacher Layoff Estimate	(\$161,000)	(3,566)	(\$269,048)	(4,130)
Teacher Attrition Estimate	(189,048)	(2,212)	(81,000)	(1,638)
Total School Cut	(\$350,048)	(5,778)	(\$350,048)	(5,768)
Budget Actions to Prevent Layoffs				
Alternate Efficiencies/Savings	\$30,000	710	\$15,140	670
Absent Teacher Reserve Restoration	0	600	0	560
Attrition Re-estimate	0	316	0	258
CTL Increase	61,000	900	0	0
Sabbatical Savings	17,000	250	(17,000)	0
Transportation Re-estimate	21,000	310	10,668	150
Education Construction Fund Transfer	32,000	480	0	0
Total Budget Actions	\$161,000	3,566	\$8,808	1,638
Net Impact of School Cut	(\$189,048)	(2,212)	(\$341,240)	(4,130)

As Table 10 illustrates, the initiatives included in the Fiscal 2012 Adopted Budget had little impact on the school cut PEG in Fiscal 2013. In fact, the \$17 million restoration through sabbaticals

resulted in a \$17 million reduction in Fiscal 2013. In sum, the changes made to avert layoffs in Fiscal 2012 left a \$341.2 million cut in Fiscal 2013. This reduction includes PS cuts in U/A 401 and corresponding cuts to fringe benefits in U/A 461. Various other budget initiatives unrelated to the school cut PEG partially offset the drop in U/A 401. Notably, the Adopted Budget projected a \$184.9 million decrease in this spending area, which means that none of the \$209.6 million increase in the DOE's total budget is allocated to general education personal services.

Other Than Personal Services

OTPS spending, U/A 402, is projected to total \$487.4 million in Fiscal 2013, a \$2.8 million increase from Fiscal 2012. Spending in Fiscal 2011 closed with \$611.2 million and the Preliminary Budget includes a mid-year adjustment for Fiscal 2012 that would increase the Adopted amount – \$484.6 million – to \$507.5 million. This is a 4.7 percent increase. The OTPS general education budget is generally underfunded at adoption and increased mid-year. Given that the Fiscal 2013 projection of \$487.4 million is only a \$2.8 million or less than one percent increase, there is a strong possibility that the Fiscal 2013 OTPS budget is underfunded.

February 2012 Financial Plan Changes

- **Expiration of Mobility Tax**

The Preliminary Budget reflects the elimination of the Mobility Tax. The State had previously reimbursed the DOE for Mobility Tax payments, increasing State revenue by the same amount that the DOE's expenditures increased, resulting in a net zero impact on the DOE's budget. Therefore the elimination of the tax should have a net zero impact on the DOE's budget. The Financial Plan recognizes most of the reduction in expenditures in U/A 402, including a \$10.6 million reduction in Fiscal 2012 and a \$31.9 million reduction in Fiscal 2013.

- **Technical Adjustments to State Aid**

The DOE maintained funding in U/A 402 in part by making technical adjustments to State categorical aids that are recognized in U/A 402. They include a \$17.6 million increase in State revenue for Fiscal 2012 and an \$18.4 million increase in Fiscal 2013.

Special Education Instruction and School Leadership

The Special Education and School Leadership budget, U/As 403 and 404, supports the special education programs provided by schools. The largest of these programs is collaborative team teaching (CTT). CTT classes consist of one general education teacher and one special education teacher, providing a reduced student/teacher ratio while ensuring that students with disabilities are educated alongside age-appropriate peers in a general education classroom. Special education teachers, aids, and administrators and supplies and services purchased to support special education paid for by schools are funded through UAs 403 and 404. Almost all of the funding budgeted in these U/As is allocated directly to schools. Some of it, however, supports centrally administered programs and services that support the work of schools. Examples of such include professional development courses for school staff and some student assessment tools.

Table 11 - Special Education Instruction and School Leadership - U/As 403 & 404

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Spending					
Personal Services Subtotal	\$1,046,360	\$1,050,959	\$1,050,959	\$1,099,020	\$48,061
Full-Time Non-Pedagogical	221	23,484	23,484	23,484	0
Full-Time Pedagogical	1,022,940	1,006,470	1,006,470	1,054,532	48,061
Other Salaried and Unsalaries	16,307	13,327	13,327	13,327	0
Additional Gross Pay	4,929	7,677	7,677	7,677	0
Overtime Civilian	119	0	0	0	0
Other	1,843	0	0	0	0
Other Than Personal Services	\$2,799	\$6,825	\$6,825	\$6,825	\$0
TOTAL	\$1,049,159	\$1,057,784	\$1,057,784	\$1,105,845	\$48,061
Positions					
FT Pedagogical	17,073	19,495	19,495	20,972	1,477
FT Non-Pedagogical	5	5	5	5	0
TOTAL	17,078	19,500	19,500	20,977	1,477

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

Included in the net \$64.1 million cut to school budgets is a \$48.1 million increase in Special Education Instruction and School Leadership. The 4.6 percent increase would result in a \$1.1 billion budget for U/As 403 and 404. All of the additional funds are for personal services and would support an increase of 1,477 full-time pedagogical employees.

As the table shows, both funding and headcount for special education instruction and school leadership have increased since Fiscal 2011. Though funding in U/As 403 and 404 generally goes into school budgets, special education mandates limit principals' discretion in how they spend the funds. Because special education mandates must be met, principals tend to spend their budgets on special education before spending for general education.

Categorical Programs

An important component of every school's budget is the categorical aids that support particular student programs and services. U/As 481 and 482 in the Department's budget include most, but not all, categorical aids. Most, but not all of the funds budgeted in U/As 481 and 482 flow directly to public schools; some of it supports categorical programs at non-public schools. Since most of the categorical aids flow into public school budgets, they are included here.

These units of appropriation provide federal and State funds that are allocated for specific purposes, as well as grants and awards from non-public agencies and institutions. The largest federal program, Title I, provides schools with resources to support supplemental instructional services such as remedial reading and math programs. The DOE will receive \$795.8 million in Title I funding in Fiscal 2013. Federal Title III program funds support bilingual instructional programs. Other school programs for which the Department receives federal categorical aids include vocational education, adult basic education, integration efforts, and math and science education. Much of the funding for universal pre-kindergarten is in Categorical Programs, as well. State categorical aids include employment preparation education and bilingual education, which bolster the federal programs.

Table 12 - Categorical Programs - U/As 481 & 482

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013
Spending					
Personal Services Subtotal	\$1,535,244	\$1,316,428	\$1,359,978	\$1,320,710	\$4,282
Full-Time Non-Pedagogical	33,134	38,965	69,872	41,037	2,072
Full-Time Pedagogical	1,116,153	877,474	890,093	890,581	13,107
Other Salaried and Unsalaries	68,518	23,053	23,053	23,053	0
Additional Gross Pay	83,071	53,474	53,474	44,229	(9,245)
Overtime Civilian	420	1,413	1,413	1,413	0
Other	233,947	376,936	376,960	366,039	(10,897)
Other Than Personal Services	\$896,558	\$722,481	\$772,104	\$787,895	\$65,415
TOTAL	\$2,431,803	\$2,038,908	\$2,132,082	\$2,108,606	\$69,697
Positions					
FT Pedagogical	17,876	12,578	10,872	10,848	-1,730
FT Non-Pedagogical	548	687	687	687	0
TOTAL	18,424	13,265	11,559	11,535	(1,730)

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.

Categorical Programs would increase by \$69.7 million in Fiscal 2013 and total \$2.1 billion. The growth is almost entirely in OTPS, though there is a net \$4.3 million increase in PS. Within PS, full-time pedagogical spending would increase by \$13.1 million and additional gross pay would be reduced by \$9.2 million.

November 2011 Financial Plan Changes

- **School Improvement Grants:** The DOE added \$58.6 million to Fiscal 2012 for School Improvement Grants, \$26.3 million of which was added to U/A 481 and \$27.6 of which was added to U/A 482. The remaining \$4.7 million is in U/A 461 – Fringe Benefits.

February 2012 Financial Plan Changes

- **Headcount realignment for Fiscal 2013:** The Preliminary Budget includes a headcount realignment that shifts 1,706 full-time pedagogical positions from U/A 481 to U/A 401 – General Education. Table 11 shows a headcount reduction of 1,730 positions funded in U/A 481 from Fiscal 2012 at adoption to the Fiscal 2013 Financial Plan. Because the DOE realigned headcount, the headcount reduction from Fiscal 2012 as of the Preliminary Budget to Fiscal 2013 is only 24 positions.
- **\$135 million State aid restoration:** The February 2012 Financial Plan recognizes a \$135.1 million increase in State aid to reflect the Governor’s Executive Budget for 2012-2013. The Plan scheduled half of the increase in U/A 481 and the other half in U/A 482. It is expected that this increase in State Foundation Aid will be moved into the General Education budget in the Executive Plan.

Citywide Special Education & Special Education Instructional Support

Funds budgeted in Citywide Special Education Instruction and School Leadership, U/As 421 and 422, provide for direct citywide special education instruction and school supervision for severely handicapped children in self-contained classrooms, home and hospital instruction; and for instructional support services and related services. District 75 schools are funded here. U/As 423 and 424 – Special Education Instructional Support – hold money used for centrally-managed special education related services such as occupational therapy, physical therapy and nurses. The Department uses both employees and contractual therapists to deliver mandated services to students. Funding budgeted here also pays for evaluations of students performed by school-based support teams.

Table 13 - Citywide Spec. Ed. & Spec. Ed. Instructional Support - U/As 421 & 422, 423 & 424					
<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Spending					
Citywide SE - U/As 421 & 422					
Personal Services Subtotal	\$752,292	\$771,490	\$771,490	\$807,302	\$35,812
Full-Time Non-Pedagogical	31,772	16,884	16,884	16,884	0
Full-Time Pedagogical	659,431	722,736	722,736	758,548	35,812
Other Salaried and Unsalaries	33,604	22,842	22,842	22,842	0
Additional Gross Pay	26,222	8,962	8,962	8,962	0
Overtime Civilian	1,016	0	0	0	0
Other	248	66	66	66	0
Other Than Personal Services	\$18,862	\$23,415	\$23,415	\$23,415	\$0
SUBTOTAL Citywide SE	\$771,154	\$794,905	\$794,905	\$830,717	\$35,812
SE Instr. Support - U/As 423 & 424					
Personal Services Subtotal	\$237,753	\$246,360	\$246,360	\$258,021	\$11,661
Full-Time Non-Pedagogical	97,854	85,878	85,878	90,878	5,000
Full-Time Pedagogical	102,314	135,417	135,417	142,078	6,661
Other Salaried and Unsalaries	26,875	23,337	23,337	23,337	0
Additional Gross Pay	8,834	1,728	1,728	1,728	0
Overtime Civilian	1,445	0	0	0	0
Other	431	0	0	0	0
Other Than Personal Services	\$272,118	\$351,838	\$333,838	\$372,569	\$20,731
SUBTOTAL SE Instr. Support	\$509,872	\$598,198	\$580,198	\$630,590	\$32,392
TOTAL CW SE & SE Instr. Support	\$1,281,026	\$1,393,103	\$1,375,103	\$1,461,307	\$68,204
Positions					
FT Pedagogical	29,053	31,102	31,102	32,579	1,477
FT Non-Pedagogical	2,262	1,786	1,986	1,986	200
TOTAL	31,315	32,888	33,088	34,565	1,677

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

Total funding for special education would increase by \$68.2 million or 4.9 percent from the Fiscal 2012 Adopted Budget to the Fiscal 2013 Preliminary Budget. The growth is despite an \$18 million PEG program introduced in the November 2011 Plan that would produce a savings for special educational instructional support OTPS in Fiscal 2012 and 2013.

- **PEG: Related Services Savings** **(\$18 million)**
This PEG was a re-estimate of costs and would not result in a service reduction. Because the Fiscal 2011 Budget closed with less spending for special education than projected, the DOE reduced U/A 424's baseline budget Fiscal 2012 and the out-years. Growth rate projections remained unchanged. In addition, savings would be achieved through closer monitoring of Individualized Education Plans (IEPs), which are based on evaluations and list the related services recommended for each special education student. The DOE has found that special education students often have in their IEPs recommendations for services that they do not need. By more closely monitoring IEPs, the Department is working to ensure that students are not receiving costly, unnecessary services.
- **PEG: Medicaid Revenue** **(\$50 million)**
The November 2011 Plan replaces \$50 million in CTL with \$50 million in federal Medicaid revenue, resulting in a \$167 million Medicaid revenue baseline projection. The DOE has stated that it plans to increase Medicaid collections by claiming for services provided to contract school students and for bussing.

The increase in special education spending even with a PEG follows trend with the rapid growth of this program area over the years, which the Department has found very difficult to control. The OMB has attributed such excessive growth in special education spending to an increase in the density of services, not simply a growing special education population or increases in service rates, most of which have been frozen by the State. However, there has been some growth in the special education population in recent years. Table 14 below shows that special education enrollment in public schools increased by 4.8 percent from Fiscal 2009 to Fiscal 2012. Enrollment for Fiscal 2012 looks comparable to enrollment in Fiscal 2011, though the Administration has not provided additional enrollment data for Fiscal 2012 or Fiscal 2013 that would allow a more in depth analysis of the Preliminary Budget.

Table 14 - Special Education Enrollment

Performance Statistics	Actual			Target		4- Month Actual	4- Month Actual
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 11	FY 12
Students receiving special education services (Preliminary unaudited)	206,760	213,831	220,289	*	*	195,609	193,583
Special education enrollment - school-age	184,020	190,092	194,503	*	*	179,838	177,380
- Public school	162,034	166,761	169,948	*	*	163,543	162,069
- Non-public school	21,986	23,331	25,253	*	*	16,295	15,311
Special education enrollment - pre-school	22,740	23,739	25,786	*	*	15,771	16,203
- Public school	781	748	699	*	*	313	302
- Non-public school	21,959	22,991	25,087	*	*	15,458	15,901
Students recommended for special education services	23,050	22,967	15,528	*	*	4,473	4,708
Students no longer in need of special education services	6,183	6,469	6,438	*	*	2,142	2,389
Students in special education scoring below standards progressing into a higher level – English Language Arts (%)	73.2%	20.0%	36.4%	*	*	NA	NA

Source: Fiscal 2012 Preliminary Mayor's Management Report

Because of State and federal mandates, the Department must provide special education students with the services they are entitled to, including related services documented on their IEP. As costs for special education rise at a faster pace than the DOE's budget as a whole, which is slated to increase only 1.1 percent from Fiscal 2012 to 2013, non-mandated program areas feel the squeeze. This disproportionate growth in special education spending directly impacts general education spending, for example, which as discussed earlier is facing a \$181.8 million reduction.

Especially because growth in special education costs is so extraordinary and difficult to curtail, Medicaid revenue is a critical funding source that can be used to offset CTL spending. As discussed earlier, the DOE can submit claims for Medicaid reimbursement for certain special education related services that it provides to Medicaid-eligible students. The Department can submit claims for ten related services, which are documented on a student's IEP, provided the DOE meets all of the Medicaid billing requirements.

Charters, Contract Schools, and Foster Care

Funds budgeted in UA 472 – Charter, Contract, and Foster Care – provide for the payments to charter schools, in-state and out-of-state contract schools, Carter cases, and non-resident tuition for foster care placements. Charter schools are privately operated schools that run under a charter issued by either the DOE, the State Education Department or the State University of New York. They are considered public schools, but they are funded through the DOE’s contractual services budget. Contract schools are private schools authorized by the State to provide special education instructional services and related therapies to children with conditions or disabilities who cannot be appropriately served by the City’s public schools. Carter cases refer to law suits in which the DOE is ordered by a court to reimburse parents for tuition costs at any private school after making a showing that the public school placement is inadequate. Finally, this program area includes funding to pay for schooling provided to foster care children placed outside the New York City school district.

Table 15 - Charters, Contract Schools, and Foster Care - U/A 472

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013
Spending					
Other Than Personal Services Subtotal	\$1,161,576	\$1,496,986	\$1,476,902	\$1,562,841	\$65,855
Contractual Services	1,140,979	1,446,889	1,426,805	1,502,744	55,855
Fixed and Misc Charges	20,597	50,097	50,097	60,097	10,000
TOTAL	\$1,161,576	\$1,496,986	\$1,476,902	\$1,562,841	\$65,855
Charter Schools	\$573,964	\$736,948	\$736,948	\$779,448	\$42,500
Contract Schools (In State)	285,444	408,715	329,632	368,220	(40,495)
Contract Schools (Out of State)	30,545	43,850	43,850	48,700	4,850
Carter Cases	235,326	246,228	246,228	236,228	(10,000)
Foster Care	\$13,865	\$46,805	\$46,805	\$56,805	\$10,000

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

Like Citywide Special Education and Special Education Instructional Support, U/A 472 has exhibited tremendous year-to-year growth that outpaces the DOE’s net budget increases. The \$65.9 million or 4.4 percent proposed growth from Fiscal 2012 to 2013 is relatively small compared to the \$335.4 million or 28.9 percent growth from Fiscal 2011 to 2012. Most of the growth from Fiscal 2012 to 2013 would be in charter school spending, while there would actually be a spending decrease for Carter cases and in-state contract schools.

February 2012 Financial Plan Changes

- **Freeze to State School Aid**

The Governor’s Executive Budget recognizes a freeze to school aids that would result in a \$20.1 million reduction in private excess cost aid in Fiscal 2012. The Preliminary Budget reflects the Governor’s Budget and recognizes the cut in U/A 472.

Charter Schools

The Fiscal 2013 Preliminary Budget shows a \$42.5 million growth in charter school spending from Fiscal 2012 to 2013, which would result in a \$779.4 million budget next fiscal year. The spending increase accounts for 65.4 percent of U/A 472's entire growth. Even so, the 5.8 percent year-to-year increase in charter school spending is considerably less than the 28.4 percent growth from Fiscal 2011 to the Fiscal 2012 Adopted Plan.

The OMB has stated, however, that the Fiscal 2013 projection is only a rough estimate that will be refined when the DOE determines the number of charter schools it intends to open next year. There are currently 48,220 students enrolled in charter schools in New York City. Of these students, 44,288 or 91.8 percent are general education students and the remaining 3,932 are special education students. At this time it is difficult to know how accurate the estimate for Fiscal 2013 is because the Department has not released enrollment projections. The DOE has stated that information on the Fiscal 2013 charter school budget will be available the first week of April.

Contract Schools and Carter Cases

After years of growth, including a 43.2 percent spending increase from Fiscal 2011 to Fiscal 2012, the budget for contract schools would decrease by \$35.6 million or 7.9 percent from this year to next. The cause of the decline is unclear. Even with the reduction in the contract school budget, the DOE is slated to spend \$416.9 million for contract schools in Fiscal 2013 and another \$236.2 million for Carter cases.

Like special education, funding in U/A 472 is mandated and the DOE generally has not been successful at controlling growth. Because many contract school students receive related services that are Medicaid reimbursable, Medicaid revenue from claims for these students could help to offset CTL spending. The DOE has implemented a pilot program for Medicaid claiming in two contract schools, which involves capturing service encounter documentation requirements using a Microsoft Excel program. It is unclear at this time how accurate the Fiscal 2013 additional \$50 million Medicaid revenue projection is, or what the Department's strategy is beyond the pilot program to meet this target.

Special Education Pre-Kindergarten

The Department provides special education instructional services and related therapeutic services to pre-kindergarten aged children through contracts with non-public schools and private providers. None of the services funded in this program area, U/A 470, are directly provided by DOE. The DOE also provides door-to-door bus transportation for these children.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013
Spending					
Other Than Personal Services	\$943,426	\$1,129,313	\$1,084,901	\$1,193,402	\$64,088
Tuition	495,192	711,874	681,874	741,598	29,724
Related Services	332,182	269,553	269,553	304,203	34,650
Pupil Transportation	116,052	147,887	133,475	\$147,601	(286)
TOTAL	\$943,426	\$1,129,313	\$1,084,901	\$1,193,402	\$64,088

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

The Fiscal 2013 Preliminary Plan would increase the Special Education Pre-K budget by \$64.1 million and total \$1.2 billion in Fiscal 2013. This is a 5.7 percent increase from the Fiscal 2012 Adopted Budget, which is significantly less growth than in prior years – spending for U/A 470 increased 19.7 percent from Fiscal 2011 close to the Fiscal 2012 Adopted Budget. The relatively small growth stems in part from three PEGs presented in the November Plan that would result in \$98.2 million total savings:

- PEGs: Pre-K Handicapped Transportation Savings (\$14.4 million)**
Pre-K Handicapped Tuition and Related Services Reduction (\$21.5 million)

Both PEGs produce CTL savings through spending re-estimates and would not result in service reductions. Spending from Fiscal 2012 to 2013 had been projected to increase by \$91 million or 9.6 percent at adoption. However, year-to-year growth is so substantial that the PEGs only reduce growth, not prevent it. The PEGs included spending re-estimates for Fiscal 2012, as well: \$14.4 million in pre-k handicapped transportation savings and \$30 million in savings from pre-k handicapped tuition and related services reductions.

The Fiscal 2011 budget closed with less spending than projected, leading the Department to decrease the baseline budget for Fiscal 2012; growth rate projections remained unchanged. Additionally, the DOE has begun to monitor IEPs more closely after finding that five-year olds entering kindergarten often have documented in their IEPs recommendations for services that they do not need. By more closely monitoring IEPs, the Department aims to reduce the provision of unnecessary, costly services.

- PEG: Special Education Pre-K Revenue (\$62.3 million)**
 As described earlier, this PEG reduces CTL funding by recognizing additional revenue using an adjusted State reimbursement rate for special education pre-k services. The OMB used the authorized reimbursement rate of 69.5 percent instead of the appropriated rate of 59.9 percent, which is the rate that the State uses in practice. The PEG also reduces CTL funding

in Fiscal 2012 by recognizing \$37.6 million in State pre-k revenue. The OMB estimates that the State owes the DOE \$1 billion in special education pre-k reimbursements and is working on recovering these funds and obtaining full reimbursement in the future. The PEG does not lower the special education pre-k budget.

Pupil Transportation

According to the City's budget, funding budgeted in U/A 438 supports the safe, reliable and efficient transportation service for the students of New York City. Almost 500,000 students take advantage of DOE-provided transportation services each school day. Services include mandated door-to-door bus transportation for special education students in need of such, and stop-to-school yellow bus transportation for elementary school qualifying students. Older students receive free passes for common carrier bus and train lines. These include New York City Transit buses and trains and Staten Island Rapid Transit trains. Funding included in UA 438 does not include all of the DOE's spending on student transportation. Additional student transportation services are budgeted in UA 470 – Special Education Pre-Kindergarten – and other U/As. Administrative costs associated with transportation, including the Office of Pupil Transportation, are budgeted in the Central Administration program area, U/As 453 and 454.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012-2013
Spending					
Other Than Personal Services	\$1,017,219	\$1,079,761	\$1,075,573	\$1,132,163	\$52,403
General Education	251,389	236,265	236,265	255,650	19,385
Special Education	697,805	772,618	768,431	804,914	32,296
Other	68,025	70,878	70,878	71,600	722
TOTAL	\$1,017,219	\$1,079,761	\$1,075,573	\$1,132,163	\$52,403

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

The Department spends over \$1 billion a year or more than five percent of its entire budget on Pupil Transportation, U/A 438, all of which is funded in OTPS. The Preliminary Budget projects a \$52.4 million or 4.9 percent increase in the Pupil Transportation budget from Fiscal 2012 to 2013. Pupil Transportation is yet another category of spending for which the DOE has had difficulty controlling costs.

General Education

While the increased spending for general education accounts for only 37 percent of the total growth in Pupil Transportation, this \$19.4 million increase equates to 8.2 percent growth in general education bussing. The growth follows a \$15.1 million or six percent reduction in spending for general education transportation from Fiscal 2011 to 2012. The DOE has indicated that the increase may be due to CPI index-related adjustments and enrollment and route change adjustments.

Special Education

Special education transportation costs \$772.6 million in Fiscal 2012, or 71.5 percent of the \$1.1 billion budget for U/A 438. Of the \$52.4 million increase from Fiscal 2012 to 2013, \$32.3 million is for special education transportation. Though the 4.2 percent growth is small compared to the \$74.8 or 10.7 percent growth from Fiscal 2011 close to Fiscal 2012 adoption, the increase would result in an \$804.9 billion budget for special education transportation.

The massive special education transportation budget can be partially offset with Medicaid reimbursements. However, the DOE did not include transportation in the Preliminary Budget’s Medicaid revenue projections. At a March 1, 2012 City Council hearing, the DOE testified that it does in fact intend to file Medicaid claims and estimated it could collect up to \$20 million in revenue. The Department did not explain how it arrived at this projection. It also has not provided data on the number of students using special transportation services, making it difficult to estimate how much revenue the DOE could possibly receive from Medicaid.

At the March 1st hearing, the United Federation of Teachers (UFT) estimated that the DOE could receive \$90 million in Medicaid reimbursement for District 75 students alone.¹ This federal revenue is a critical funding source, especially as the City’s share of DOE funding increases, special education costs rise, and school budgets continue to face cuts.

School Facilities & Energy and Leases

School Facilities is comprised of U/As 435 and 436, and Energy and Leases is represented by U/A 444. Funding for these program areas supports the DOE’s building maintenance and custodial operations, and pays for utilities and leases.

Table 18 - School Facilities & Energy and Leases - U/As 435 & 436, U/A 444

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Spending					
Personal Services	\$414,770	\$401,322	\$396,407	\$393,322	(\$8,000)
Other Than Personal Services	\$817,494	\$713,448	\$723,771	\$704,042	(\$9,406)
School Facilities	348,927	201,297	221,620	201,891	594
Energy and Leases	468,567	512,151	502,151	502,151	(10,000)
TOTAL	\$1,232,264	\$1,114,770	\$1,120,178	\$1,097,364	(\$17,406)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

The Preliminary Plan shows a net \$17.4 million decrease in the School Facilities and Energy and Leases budgets from Fiscal 2012 to 2013. The projection reflects four PEGs presented in the November 2011 Plan. These PEGs will achieve savings in Fiscal 2013 through efficiencies or re-estimates and do not result in service reduction.

¹ Estimate is based on 23,000 District 75 students receiving special education transportation services; a \$21.69 reimbursement rate for each one-way trip, which is set by the State; five days of round-trip service for each student; 40 weeks of service per year; and a 50% federal reimbursement share from Medicaid.

- **PEG: Facilities PS Efficiencies: (\$5 million)**
In order to achieve savings, the DOE is more closely monitoring expenditures related to extended use funds by ensuring buildings are used efficiently after school hours. For example, the Department is making greater efforts to keep open only the necessary number of rooms and coordinate room usage to minimize the number of safety agents. Because savings were realized through such measures last year, the Department anticipates it will achieve savings again – Table 17 shows an \$8 million PS spending decrease from Fiscal 2012 to 2013.

- **PEGs: Facilities OTPS Efficiencies (\$12 million)**
Facilities OTPS Efficiencies (\$8 million)
These PEGs total \$20 million. In order to achieve the \$12 million PEG, the DOE is more closely monitoring custodial spending on emergency services such as snow removal. Traditionally emergency service work has been pre-approved and a post-audit process was completed to pay custodians for their work. This process has led to excessive spending; for example, sometimes work is completed by more custodians than are necessary. The DOE has changed procedure by eliminating pre-approval and instead having a review process before approving the work.

Similarly, the \$8 million PEG will be achieved by changing procedures for general repairs in schools. General repair contracts for cosmetic work have traditionally been subject to a pre-approval/post-audit process in which projects are pre-approved and payment for the work is disbursed later. The DOE now reviews projects before approving them and approves only those projects that are deemed necessary.

- **PEG: Lease Savings (\$10 million)**
Economic conditions have resulted in lower lease costs than expected. As such, the DOE anticipates saving \$10 million in Fiscal 2013. The savings are reflected in the \$10 million spending reduction from Fiscal 2012 to 2013 shown in Table 18.

School Food Services

The Department’s Office of School Food runs the Department’s breakfast and lunch programs and is supported with funding allocated to U/As 439 and 440. According to DOE, School Food works to promote healthy food choices by students and maintain high nutritional standards while offering delicious, healthy, and satisfying menu choices. School breakfast is served at every school before school starts and is free and available to any student. Lunch is served in all schools and is priced according to family income. School lunch is supported by the federal government and free and reduced price lunches are offered according to federal income eligibility guidelines. Students whose families’ incomes exceed the federal cut-off may purchase lunch for \$1.50. Menus for lunch and breakfast are posted in all schools, and are available on-line at <http://www.opt-osfns.org/osfns/>.

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Spending					
Personal Services	\$199,749	\$187,898	\$198,898	\$198,898	\$11,000
Other Than Personal Services	\$180,242	\$238,832	\$215,832	\$211,393	(\$27,439)
TOTAL	\$379,990	\$426,730	\$414,730	\$410,291	(\$16,439)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

The Adopted Budget includes \$426.7 million for School Food Services. Of this amount, 56 percent is for OTPS and 44 percent is for PS. The combination of two November Plan PEGs reduces OTPS spending in Fiscal 2012 only by \$12 million.

- PEG: Food Services Re-estimate (\$10 million)**
 The DOE anticipates less CTL spending in Fiscal 2012 than originally projected because food inflation costs are not as high as expected.
- Food Services Efficiencies (\$2 million)**
 To achieve these savings in OTPS, the DOE reduced overtime, temporary services, and consultant hours.

The \$27.4 million projected reduction in OTPS spending from Fiscal 2012 to 2013 reflects previously scheduled reductions. In addition, the November Plan includes a realignment of funds that would shift \$1.6 million from the OTPS budget to PS spending, accounting for a small portion of the 11.5 percent total decrease in the OTPS budget.

Central Administration

U/As 453 and 454 consist of funding for the DOE's administrative offices. Functions include portfolio planning, operations, finance and school budget planning, and enrollment. Additional central office functions include school safety, youth development, special investigations, intergovernmental affairs, equal opportunity, public information, community engagement, legal services and labor relations.

Table 20 - Central Administration - U/As 453 & 454

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
Spending					
Personal Services	\$167,625	\$143,197	\$143,665	\$143,665	\$468
Full-Time Non-Pedagogical	146,589	124,892	125,359	134,609	9,717
Full-Time Pedagogical	6,696	6,324	6,324	4,055	(2,269)
Other Salaried and Unsalariated	2,505	1,418	1,418	1,698	280
Other	11,835	10,564	10,564	3,303	(7,261)
Other Than Personal Services	\$166,802	\$164,960	\$164,930	\$159,588	(\$5,372)
Contractual Services	107,937	103,324	101,532	101,680	(1,644)
Other	58,864	61,637	63,398	57,909	(3,728)
TOTAL	\$334,427	\$308,158	\$308,595	\$303,254	(\$4,904)

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

Following trend in recent years, spending for Central Administration decreases in the Preliminary Budget as evident in Table 19 above. Net spending for personal services, U/A 453, is projected to increase slightly. Within PS there is a \$9.7 million or 7.8 percent increase in spending for full-time non-pedagogical staff and a \$2.3 million or 35.9 percent budget reduction for full-time pedagogical staff. Spending for "Other" PS, which includes fringe benefits, additional gross pay, and overtime decreases by \$7.3 million or 68.7 percent.

The Preliminary Budget for Fiscal 2013 makes only minor adjustments to the budget for Central Administration; the changes shown reflect previously planned adjustments. The February 2012 Plan, however, makes extensive changes to these U/As at the budget code level so that the Departmental Estimates are more accurate.

Table 21 - Central Administration Headcount

Positions	2009	2010	2011	2012	2012	2013	*Difference
	Actual	Actual	Actual	Adopted	Feb. Plan	Feb. Plan	2012-2013
FT Pedagogical	180	177	41	204	204	164	(40)
FT Non-Pedagogical	2,102	2,089	2,046	1,605	1,605	1,645	40
TOTAL	2,282	2,266	2,087	1,809	1,809	1,809	0

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.*

As shown in Table 21, the changes in the Central Administration PS budget are reflected in headcount projections. The Preliminary Budget includes a projected headcount reduction of 40 full-time pedagogical positions, bringing the Fiscal 2013 headcount down to 164 positions. The decline in headcount equates to 19.6 percent fewer full-time pedagogical positions in Fiscal 2013 than in Fiscal 2012. Full-time non-pedagogical staff would total 1,645 full-time positions in Fiscal 2013, an increase of 40 positions from this year. As the Central Administration budget has been reduced in recent years, headcount has also been trending downward. The Preliminary Budget includes a budget modification for Central Administration that realigns funds to more adequately reflect the current headcount positions and spending within U/A 453.

The OTPS budget is projected to decrease by \$5.3 million or 3.3 percent in Fiscal 2013, contributing to the overall \$4.9 million reduction in Central Administration spending.

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
DOE Budget as of June 2011 Plan	\$9,282,147	\$10,141,173	\$19,423,320	\$9,445,183	\$10,172,977	\$19,618,160
Program to Eliminate the Gap (PEGs)						
Building Aid for GO Debt Service	\$0	\$0	\$0	(\$100,000)	\$0	(\$100,000)
Facilities OTPS Efficiencies	(20,000)	0	(20,000)	(20,000)	0	(20,000)
Facilities PS Efficiencies	(5,000)	0	(5,000)	(5,000)	0	(5,000)
Food Services Efficiencies	(2,000)	0	(2,000)	0	0	0
Food Services Re-Estimate	(10,000)	0	(10,000)	0	0	0
Lease Savings	(10,000)	0	(10,000)	(10,000)	0	(10,000)
Medicaid Revenue PEG	0	0	0	(50,000)	50,000	0
Pre-K Handicapped Transportation Savings	(14,412)	0	(14,412)	(14,412)	0	(14,412)
Pre-K Tuition & Related Services Reduction	(30,000)	0	(30,000)	(21,500)	0	(21,500)
Related Services Savings	(18,000)	0	(18,000)	(18,000)	0	(18,000)
SE Pre-K Revenue PEG	(37,600)	37,600	0	(62,300)	62,300	0
TOTAL, PEGs	(\$147,012)	\$37,600	(\$109,412)	(\$301,212)	\$112,300	(\$188,912)
Other Adjustments						
ARRA Adjustments	\$0	\$103,342	\$103,342	\$0	\$0	\$0
Building Aid for Debt Service	0	0	0	100,000		100,000
Federal Revenue Re-estimate	0	17,530	17,530	0	(16,097)	(16,097)
City Council Re-allocation	(16)	0	(16)	0	0	0
SCA Revenue Adjustment	0	33,180	33,180	0	33,180	33,180
State Aid Adjustments	0	(27,793)	(27,793)	0	135,091	135,091
HIP Rate Change	(2,411)	0	(2,411)	(16,463)	0	(16,463)
Mobility Tax Adjustment	0	(10,616)	(10,616)	0	(31,943)	(31,943)
State Pension Adjustment	(5,400)	5,400	0	(5,400)	5,400	0
BTOP	0	10,938	10,938	0	0	0
Other Adjustments	52	12,765	12,817	0	468	468
TOTAL, Other Adjustments	(\$7,775)	\$144,745	\$136,970	\$78,137	\$126,099	\$204,236
TOTAL, All Changes	(\$154,787)	\$182,345	\$27,558	(\$223,075)	\$238,399	\$15,324
DOE Budget as of February 2012 Plan	\$9,127,360	\$10,323,518	\$19,450,878	\$9,222,108	\$10,411,376	\$19,633,484

Appendix B: Contract Budget

<i>Dollars in thousands</i>				
Contract Category	Number of Contracts	Budget	Percent of DOE Total	Percent of City Total
Contractual Services General	30	\$67,444	1.44%	14.76%
Telecommunications Maintenance	187	28,027	0.60%	46.44%
Maintenance & Rep Motor Vehicles Equip	10	81	0.00%	0.58%
Maintenance & Rep General	2	3	0.00%	0.00%
Office Equipment Maintenance	224	5,594	0.12%	40.00%
Data Processing Equipment	40	1,953	0.04%	1.20%
Printing Contracts	33	4,601	0.10%	14.97%
Security Services	2	323	0.01%	0.40%
Temporary Services	122	20,336	0.43%	59.58%
Cleaning Services	4	205	0.00%	1.00%
Transportation Expenditures	47	5,024	0.11%	38.16%
Bus Transportation Reimbursable Programs	9	59	0.00%	100.00%
Transportation of Pupils	443	1,178,415	25.09%	100.00%
Payments to Contract/Corporate Schools	289	2,263,596	48.20%	100.00%
Training Program City Employees	6	4,009	0.09%	26.82%
Maintenance & Operation of Infrastructure	155	58,899	1.25%	40.59%
Payments to Delegate Agencies	1	59	0.00%	0.02%
Prof Services Accounting & Auditing	4	2,236	0.05%	8.69%
Prof Services Legal Services	24	11,634	0.25%	12.33%
Prof Services Engineer and Architect	2	87	0.00%	4.56%
Prof Services Computer Services	84	42,958	0.91%	38.49%
Prof Services Direct Education Services	3,341	904,247	19.26%	956.22%
Prof Services - Other	78	64,294	1.37%	43.64%
Bank Charges Public Assistance Acct	7	154	0.00%	38.99%
Prof Services - Curriculum and Prof Development	204	31,469	0.67%	100.00%
Education and Recreation for Youth Program	5	329	0.01%	0.29%
Preliminary Budget	5,353	\$4,696,036	100.00%	44.92%

Appendix C: Fiscal 2012 PMMR Performance Measures

Fiscal 2012 Preliminary Mayor's Management Report

Performance Statistics	FY 09	Actual		Target		4-Month	4-Month
		FY 10	FY 11	FY 12	FY 13	Actual	Actual
						FY 11	FY 12
Improve academic performance							
Percent of schools with scores of Well Developed on Quality	48.1%	43.8%	14.3%	*	*	NA	NA
Percent of schools with scores of Proficient on Quality Reviews	44.8%	50.9%	45.3%	*	*	NA	NA
Percent of schools with scores of Developing on Quality	4.8%	3.3%	35.4%	*	*	NA	NA
Percent of schools with scores of Underdeveloped on Quality	2.2%	2.0%	5.0%	*	*	NA	NA
Percent of schools receiving an A on school Progress Report	75.1%	28.8%	27.2%	*	*	NA	NA
Percent of schools receiving a B on school Progress Report	17.0%	33.5%	34.2%	*	*	NA	NA
Percent of schools receiving a C on school Progress Report	5.7%	32.0%	28.6%	*	*	NA	NA
Percent of schools receiving a D on school Progress Report	1.9%	4.7%	7.1%	*	*	NA	NA
Percent of schools receiving an F on school Progress Report	0.2%	1.0%	2.9%	*	*	NA	NA
Student enrollment as of October 31 in grades pre-kindergarten to 12 (000) (Preliminary unaudited)	1,029.50	1,036.70	1,043.80	*	*	1,008.10	1,006.00
Average daily attendance	90.0%	90.7%	90.5%	90.0%	90.0%	92.2%	92.4%
- Elementary/middle (%)	92.4%	93.3%	93.1%	92.0%	92.0%	95.0%	95.3%
- High school (%)	84.3%	86.9%	86.5%	83.0%	83.0%	86.2%	86.2%
Students with 90% or better attendance rate	69.8%	74.3%	73.9%	72.0%	72.0%	79.4%	80.1%
Students in grades 3 to 8 meeting or exceeding standards - English Language Arts (%)	68.8%	42.4%	43.9%	62.0%	62.0%	NA	NA
- Math (%)	81.8%	54.0%	57.3%	78.0%	78.0%	NA	NA
Students in grades 3 to 8 scoring below standards progressing into a higher level - English Language Arts (%)	78.8%	25.7%	50.3%	*	*	NA	NA
- Math (%)	68.6%	30.5%	54.9%	*	*	NA	NA
Students in grades 3 to 8 progressing from below standards to meeting standards - English Language Arts (%)	37.9%	5.9%	18.4%	*	*	NA	NA
- Math (%)	38.6%	4.3%	24.3%	*	*	NA	NA
Students in grades 1 to 9 promoted (%)	97.7%	93.2%	93.7%	98.0%	98.0%	NA	NA
Students in the graduating class taking required Regents	53,087	55,378	NA	45,000	45,000	NA	NA

Performance Statistics	FY 09	Actual	FY 11	Target		4-Month	4-Month
		FY 10		FY 12	FY 13	Actual	Actual
						FY 11	FY 12
Students passing required Regents examinations (%)	66.4%	70.8%	NA	66.0%	66.0%	NA	NA
Students in graduating class with a 65 to 100 passing score on the Regents Examination - English (%)	84.6%	87.4%	NA	82.0%	82.0%	NA	NA
- Math (%)	80.6%	82.2%	NA	79.0%	79.0%	NA	NA
- United States history and government (%)	82.1%	83.6%	NA	76.0%	76.0%	NA	NA
- Global history (%)	72.5%	76.7%	NA	71.0%	71.0%	NA	NA
- Science (%)	76.1%	80.6%	NA	76.0%	76.0%	NA	NA
Students in graduating class with a 55 to 100 passing score on the Regents Examination - English (%)	91.2%	91.8%	NA	93.0%	93.0%	NA	NA
- Math (%)	92.3%	91.9%	NA	96.0%	96.0%	NA	NA
- United States history and government (%)	92.0%	91.7%	NA	96.0%	96.0%	NA	NA
- Global history (%)	87.0%	87.9%	NA	90.0%	90.0%	NA	NA
- Science (%)	91.0%	91.6%	NA	92.0%	92.0%	NA	NA
Percent of all students in cohort graduating from high school in 4 (NYSESED)	59.0%	61.0%	NA	*	*	NA	NA
Percent of all students in cohort graduating from high school in 6 years (NYSESED)	NA	NA	NA	*	*	NA	NA
Percent of students with disabilities in cohort graduating from high school in 4 years (NYSESED)	24.7%	27.9%	NA	*	*	NA	NA
Percent of students with disabilities in cohort graduating from high school in 6 years (NYSESED)	NA	NA	NA	*	*	NA	NA
Percent of all students in cohort dropping out from high school in 4 years (NYSESED)	11.8%	12.1%	NA	*	*	NA	NA
Percent of all students in cohort dropping out from high school in 6 years (NYSESED)	NA	NA	NA	*	*	NA	NA
Percent of students with disabilities in cohort dropping out from high school in 4 years (NYSESED)	21.0%	20.9%	NA	*	*	NA	NA
Percent of students with disabilities in cohort dropping out from high school in 6 years (NYSESED)	NA	NA	NA	*	*	NA	NA
Students enrolled as English Language Learners (000)	149	165	164	*	*	NA	NA
English Language Learners testing out of ELL Programs (%)	15.1%	15.4%	16.4%	17.0%	17.0%	NA	NA
English Language Learners testing out of ELL programs within 3 years (%)	50.6%	54.1%	51.5%	55.0%	55.0%	NA	NA
Students receiving special education services (Preliminary unaudited)	206,760	213,831	220,289	*	*	195,609	193,583
Special education enrollment - school-age	184,020	190,092	194,503	*	*	179,838	177,380
- Public school	162,034	166,761	169,948	*	*	163,543	162,069
- Non-public school	21,986	23,331	25,253	*	*	16,295	15,311
Special education enrollment - pre-school	22,740	23,739	25,786	*	*	15,771	16,203

Performance Statistics	Actual			Target		4-Month	4-Month
	FY 09	FY 10	FY 11	FY 12	FY 13	Actual FY 11	Actual FY 12
- Public school	781	748	699	*	*	313	302
- Non-public school	21,959	22,991	25,087	*	*	15,458	15,901
Students recommended for special education services	23,050	22,967	15,528	*	*	4,473	4,708
Students no longer in need of special education services	6,183	6,469	6,438	*	*	2,142	2,389
Students in special education scoring below standards progressing into a higher level - English Language Arts (%)	73.2%	20.0%	36.4%	*	*	NA	NA
- Math	60.1%	23.2%	42.0%	*	*	NA	NA
Schools Under Registration Review	20	14	NA	*	*	NA	NA
Average lunches served daily	623,039	642,264	648,141	*	*	666,606	662,316
Average breakfasts served daily	205,317	220,923	224,623	*	*	219,368	217,981
Average expenditure per student (\$)	\$17,929	\$18,419	NA	*	*	NA	NA
- Elementary school (\$)	\$18,265	\$18,617	NA	*	*	NA	NA
- Middle school (\$)	\$17,582	\$17,972	NA	*	*	NA	NA
- High school (\$)	\$15,648	\$16,152	NA	*	*	NA	NA
Full-time special education (District 75) (\$)	\$69,376	\$72,718	NA	*	*	NA	NA
Average direct services to schools expenditure per student (\$)	\$16,510	\$16,541	NA	*	*	NA	NA
Ensure principal and teacher quality							
Teachers	79,021	76,795	74,958	*	*	74,958	73,714
Teachers with 5 or more years teaching experience (%)	64.4%	69.2%	72.2%	*	*	72.3%	74.6%
Teachers hired to fill projected vacancies (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Principals with more than 3 years' experience as principal (%)	53.5%	59.7%	61.3%	*	*	NA	NA
Teachers absent more than 10 days (%)	12.9%	12.6%	12.8%	*	*	1.2%	1.3%
Promote parental involvement in education							
Phone calls responded to by parent coordinator (000)	2,006	1,973	1,613	1,500	1,500	434	265
Parent walk-ins receiving parent coordinator assistance (000)	794	857	735	759	759	202	10
Parent coordinator workshops held for parents (000)	35	26	34	35	35	4	10
Parents attending parent coordinator workshops (000)	670	595	459	600	600	13	48
Parents attending parent-teacher conferences (000)	1,167	792	639	1,282	1,282	91	33
Ensure School Safety							
School safety - Seven Major Crimes	902	839	80	*	*	172	202
Other criminal	3,559	3,302	3,089	*	*	653	595
Other	5,843	5,354	5,119	*	*	972	1,046
Ensure Adequate and well-maintained classroom							
Average class size (end of October) (Preliminary Unaudited) - Kindergarten	20.7	21.7	22.1	*	*	22	22.8

Performance Statistics	FY 09	Actual		Target		4-Month	4-Month
		FY 10	FY 11	FY 12	FY 13	Actual	Actual
						FY 11	FY 12
Grade 1	21.3	22	22.9	*	*	22.9	24
Grade 2	21.4	22.2	23.2	*	*	23.2	24.2
Grade 3	21.9	22.5	23.7	*	*	23.8	24.6
Grade 4	23.4	24.4	25	*	*	25	25.3
Grade 5	24.2	24.8	25.4	*	*	25.4	25.7
Grade 6	25.6	26.1	26.2	*	*	26.3	27
Grade 7	26.5	26.8	27.1	*	*	27.1	27.2
Grade 8	26.8	27.5	27.3	*	*	27.4	27.4
Schools that exceed capacity - Elementary schools (%)	28.0%	31.0%	32.0%	*	*	NA	NA
Middle schools (%)	12.0%	9.0%	12.0%	*	*	NA	NA
High schools (%)	37.0%	37.0%	37.0%	*	*	NA	NA
Students in schools that exceed capacity - Elementary/middle schools	22.0%	24.0%	26.0%	*	*	NA	NA
High schools (%)	52.0%	53.0%	55.0%	*	*	NA	NA
Total new seats created	14,329	18,525	5,593	8,911	9,137	0	0
Hazardous building violations total backlog	163	204	108	*	*	135	126
Fair to good condition (%)	46.2%	47.2%	50.0%	*	*	NA	NA
Fair condition	52.0%	51.0%	48.5%	*	*	NA	NA
Fair to poor condition	0.2%	0.1%	0.1%	*	*	NA	NA
Poor condition (%)	0.0%	0.0%	0.0%	*	*	NA	NA