

THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

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Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report Department of Education

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Department of Education

The Department of Education (DOE or the Department) provides primary and secondary education to over one million students, from pre-kindergarten to grade 12, in 32 school districts in over 1,800¹ schools and employs approximately 75,000 teachers. The DOE prepares students to meet grade level standards in reading, writing, and math, and prepares high school students to graduate ready for college and careers. The Department also operates the school food service program, maintains public school buildings and offices, and provides transportation services to students. Out of the 1,800 schools the DOE funds, 209 of them are charter schools. Finally, the DOE provides special education instructional services and related therapies to students enrolled in both public and private school settings.

In addition, the School Construction Authority, coordinates the development of the DOE's Five-Year Capital Plan, selects and acquires sites for new schools, leases buildings for schools and supervises the conversion of space for classroom use. A separate report about the Department's capital budget and Five-Year Plan is available here: http://council.nyc.gov/html/budget/fy17_documents.shtml.

This report provides a review of the Department of Education's Preliminary Budget for Fiscal 2017. The first section presents the \$22.9 billion Fiscal 2017 Expense Budget, the impact of State and federal budget actions, and describes initiatives funded by the Council.

The report then presents the Department's contract budget, discusses the budget by program area, and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2017 (PMMR). Miscellaneous revenue for the DOE in Fiscal 2017 is presented in Appendix A. Finally, changes to the budget included in the November and Preliminary Financial Plans are summarized in Appendix B.

Fiscal 2017 Preliminary Budget Highlights

Chart 1: DOE Expense Budget						
	2014	2015	2016	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$13,064,265	\$13,290,889	\$14,012,781	\$14,040,326	\$14,812,846	\$800,065
Other Than Personal Services	7,021,022	7,458,434	7,896,926	7,932,174	8,068,336	171,410
TOTAL	\$20,085,287	\$20,749,323	\$21,909,707	\$21,972,500	\$22,881,182	\$971,475

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The City's Preliminary Fiscal 2017 Budget is \$82.1 billion, \$3.6 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. The Department of Education's Fiscal 2017 Preliminary Budget totals \$22.9 billion (including City and non-City funds); this represents approximately 28 percent of the City's total Budget. This number does not include the DOE's total pension and debt service. Total pension costs for Fiscal 2017 are projected to be \$3.9 billion and total debt service is \$2.4 billion for total Fiscal 2017 education-related spending of \$29.2 billion. However, since pension and debt service costs are not included in the DOE's budget, when discussing the Department's Preliminary Budget, we refer only to

¹ New York City Department of Education, *About Us*. <http://schools.nyc.gov/AboutUs/default.htm>

the Department's budget of \$22.9 billion. The Department of Education's Fiscal 2017 Preliminary Budget is substantially larger than the Fiscal 2016 Adopted Budget of \$21.9 billion.

The most significant programmatic increases for the Department Preliminary Plan are largely due to recognizing the Administration's priorities, such as the Equity and Excellence initiative, increasing and improving mental health services and improving school climate. The Department also plans to provide schools with a budget increase through an increased Fair Student Funding allocation. Further details of these programs are listed below.

Equity and Excellence. In September 2015, the Administration announced new initiatives aimed at raising achievement of students across all public schools. In order to accomplish this, several new programs were announced to help provide a foundation for every student in every school that helps prepare students for success in college and future careers. The goal is to ensure students master critical skills on time and also invests in their future. The following programs are part of this initiative.

- **Universal Literacy.** The 2017 Preliminary Plan provides \$16.4 million to improve literacy among elementary school students. In order to achieve this, every elementary school would receive support from a reading specialist who would ensure all students are reading on grade level by the end of 2nd grade. English Language Learners and students with disabilities would receive additional support to ensure they are on track with their peers. In Fiscal 2017, total headcount for this program is expected to reach 104 positions. This program is projected to be fully implemented by Fiscal 2019 at a cost of \$75 million a year.
- **Algebra for All.** Today, only 60 percent of New York City middle schools offer algebra in 8th grade.² The 2017 Preliminary Plan includes \$20.8 million in Fiscal 2017 and in the outyears to ensure that all students complete algebra before they finish middle school. This would allow students to take more advanced math courses in high school and be better prepared for college and future careers. This funding would go towards professional development for algebra teachers, support for students struggling with algebra and expand the availability of algebra courses in middle schools. The Fiscal 2017 Budget has a total of 10 positions for Algebra for All. This program is expected to be fully phased-in by Fiscal 2022 and the first new algebra programs would begin this fall.
- **AP for All.** The Fiscal 2017 Preliminary Plan includes \$12.6 million to ensure that all high school students have access to at least five Advanced Placement (AP) courses. The availability of at least five AP courses would be phased-in to high schools over time. The 2016-2017 school year would see the first cohort of courses added with the goal of reaching 75 percent of high schools by 2018. Funding increases in the outyears and are expected to grow to \$51 million when fully phased-in. There are a total of 134 new positions included in the Fiscal 2017 budget to support the expansion of AP courses.

² Office of the Mayor, *Equity and Excellence: Mayor de Blasio Announces Reforms to Raise Achievement Across all Public Schools*, September 2015. <http://www1.nyc.gov/office-of-the-mayor/news/618-15/equity-excellence-mayor-de-blasio-reforms-raise-achievement-across-all-public>.

- **College Access for All.** The 2017 Preliminary Plan allocates \$8.8 million to provide students in grades 6 through 12 with the opportunity to visit a college campus. Planning within schools began this year and programs would begin in the fall. The Fiscal 2017 budget has a total headcount of 32 positions for this program. College visits for middle school students are expected to be fully phased-in by Fiscal 2018 and visits for high school students would be fully phased-in by Fiscal 2019.
- **Single Shepherd.** Every student in grades 6 through 12 in School Districts 7 (Bronx) and 23 (Brooklyn) would be paired with a guidance counselor or social worker to help support them through graduation and college enrollment. These two school districts were selected because they are among the lowest performing in New York City. This program is expected to start in the fall at 52 schools reaching 16,000 students in the upcoming school year. In the Preliminary Plan, headcount increases by 134 positions for this program. It is expected to cost \$15.2 million a year, which was included in the Preliminary Plan for 2017 and in the outyears.
- **District Charter Learning Partnerships.** In order to foster relationships between districts and charter schools, schools would be paired to share best practices. Initial pairings would focus on the instruction of English Language Learners and math. This program is expected to be fully phased-in by Fiscal 2018 and would start in the upcoming school year. There are six positions associated with the initiative. The Preliminary Plan includes \$3 million for Fiscal 2017 and increases in the outyears to \$5 million when fully phased-in.

Mental Health Services. As part of Thrive NYC, the Administration's mental health plan, the Preliminary Plan makes an investment in mental health services in schools throughout New York City. One of the goals of Thrive NYC is to "act early" by providing early intervention and prevention to school aged children. According to the Administration, "18 percent of children aged zero-17 experience two or more adverse events such as divorce, domestic violence, or family financial strain. Exposure to these kinds of life events can make it more likely for children to develop mental illness later in life."³ Additionally, "27 percent of public high school students in New York City report feeling sad or hopeless almost every day for the prior two weeks - a predictor of depressive illness."⁴ The following programs are part of this initiative to support mental health services in schools.

- **Social Emotional Learning for UPK.** In order to support children's social emotional development, the DOE would provide programs with social workers trained to implement the Pre-K for All Positive Behavior Guidance model. This model would help teachers and families in skills-building and behavior management. In addition to teacher training, all pre-k families would receive a toolkit to practice this model at home and some families would be able to attend an on-site parenting program to help develop these skills. In total, 125 existing social workers would be trained to develop the capacity of teachers and parents. The Preliminary Plan commits \$8.1 million for this program in Fiscal 2017, growing to \$9.1 million in Fiscal 2019.

³ Mental Health Roadmap, *Thrive NYC*. <https://thrivenyc.cityofnewyork.us/>.

⁴ *Id.*

- **100 High Needs Schools.** 100 schools with the highest suspension rates in New York City have been chosen to receive additional mental health services. Schools and students would each receive a mental health needs assessment and services would be provided through community-based organizations (CBOs). The Preliminary Plan includes \$62 million to this program in Fiscal 2017 and in the outyears.

School Climate. The Administration is committed to the development of schools in which students feel accepted, valued, respected and included. In order to achieve this, a significant investment is being made to change school culture; including funding several programs aimed at increasing restorative justices practices. Restorative justice programs change the culture within schools specifically by changing the school's approach to student discipline. The Council made a significant investment in restorative justice programs this fiscal year, laying the groundwork for this proposed expansion. The Administration has proposed several new needs to expand restorative justice programs in City schools.

- **Building Capacity for Restorative Practice Trainers.** One approach the Administration proposes is to build internal capacity in restorative practice training. According to the Administration, building internal capacity would reduce training and support costs and expand the restorative program throughout the entire City. Borough Field Support Centers currently have up to two School Climate managers and two School Crisis managers. These managers and additional Office of Safety and Youth Development (OSYD) staff would be trained as trainers in restorative practices. Under this model, 50 DOE employees would be trained to be trainers and train school teams. The Fiscal 2017 Preliminary Plan includes \$580,000 for this program.
- **Restorative Practices for District 18.** In the upcoming school year, the DOE would implement an initiative where all schools in District 18 would receive restorative practices support. Based on suspension data from 2014-2015, District 18 has the highest suspension rate citywide. Each school would identify five staff members to be trained and the schools would receive four days of on-site coaching provided by a CBO partner. In addition, the district would receive one staff person to serve as the coordinator responsible for organizing trainings for schools and provide support to build capacity at the school level. The Fiscal 2017 Preliminary Plan includes \$530,000 for this program.
- **Restorative Practices for Warning Card Schools.** The New York City Police Department (NYPD) and the Department of Education have identified five campuses in the Bronx to participate in the Warning Card initiative. Under this initiative, the NYPD officers and School Safety Agents would have the discretion to issue a warning card to students who are 16 years of age or older in lieu of a summons for disorderly conduct or possession of marijuana while on school grounds. To provide additional support to these campuses, the DOE would begin offering training in restorative practices in the spring of 2016 with full implementation in school year 2016-17. Each school would identify five staff members to attend training for a total of 160 staff members to be trained. In addition, each campus would have a coordinator trained; making the total count of staff trained 165. The Preliminary Plan includes \$500,000 to support this program.

- **Safe and Supportive Opportunity Program Expanded (SSOPE).** Under this program, 20 schools would receive social emotional and progressive discipline supports. Schools would also hire a School Culture/Community Services Coordinator who would serve as the liaison between OSYD and the school. This person would identify staff to be trained in restorative practices and other progressive discipline supports, facilitate social emotional supports, establish relationships with CBOs to support the school and implement regular meetings with school administration and staff to support the implementation of the program. In total, headcount increases by 28 positions in Fiscal 2017 and the Preliminary Plan includes \$5.3 million to support this program.
- **Therapeutic Crisis Intervention.** The goal of this program is to reduce the number of 911 calls placed from schools. In order to achieve this, staff would be trained in de-escalation techniques at schools with the highest incidence of 911 calls. This program is projected to begin in September in 125 schools and \$87,538 was included in the Fiscal 2017 Preliminary Plan.

School Budget Increase. The Fiscal 2017 Preliminary Plan includes a \$158.7 million increase to Fair Students Funding (FSF) in order to increase school budgets. The funding will be given directly to schools to raise the FSF funding floor so that all schools are operating with at least 87 percent of funding. Currently, the base amount schools operate with is 82 percent. Under this plan, all Renewal Schools will be given 100 percent of their budget. Additionally, the weight for English Language Learners (ELL) and Students with Interrupted Formal Education (SIFE) will increase; meaning that schools would receive additional funding for each ELL and SIFE student they serve. The ELL increase is a State mandate, which now requires the DOE to provide additional services to ELL students for two years after they exit the ELL program, and the City has chosen to increase funding for SIFE students.

Funding Summary

The Department of Education receives federal and state aid in addition to its City tax-levy (CTL) funds. Chart 2 below shows the various funding sources, including notable state and federal aids.

Chart 2: DOE Funding Summary				
<i>Dollars in Thousands</i>				
	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
	2016	2016	2017	
City	\$10,278,171	\$10,272,434	\$10,808,826	\$530,655
State				
Foundation Aid	\$6,670,257	\$6,670,257	\$7,092,257	\$422,000
Formula Aid	1,432,901	1,448,896	1,471,677	(21,403)
Building Aid	478,125	478,125	478,125	0
Categorical Programs	605,966	607,314	622,081	0
Special Education Pre-K	524,735	508,074	491,932	(37,147)
State Food Programs	12,295	12,295	14,359	3,284
Revenue in Other Agencies	(2,500)	(2,500)	(2,500)	0
Subtotal State	\$9,721,779	\$9,722,461	\$10,167,931	\$366,734
Federal – Other				
Title I	\$679,101	\$679,101	\$679,101	\$0
Title IIA	108,000	108,000	108,000	0
IDEA	269,782	269,782	269,782	0
Medicaid	97,000	97,000	97,000	0
School Lunch	300,476	300,476	300,476	0
Breakfast Program	78,243	78,243	105,779	27,536
Education for Homeless Children	1,550	1,550	1,550	0
Other	195,477	213,037	185,600	(9,877)
Subtotal Federal	\$1,729,629	\$1,747,189	\$1,747,288	\$17,659
Federal – CD	\$19,177	\$19,177	\$14,723	(\$4,454)
Intracity	15,234	46,311	9,283	(5,951)
Other Categorical	145,717	164,177	133,131	(12,586)
Subtotal	\$180,128	\$229,665	\$157,137	(\$22,991)
TOTAL	\$21,909,707	\$21,971,749	\$22,881,182	\$971,475

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

City Funding

The DOE's Fiscal 2017 Preliminary Budget totals approximately \$22.9 billion, which reflects an increase of \$971.5 million compared to the Fiscal 2016 Adopted Budget. The Preliminary Budget includes \$530.7 million in City funding of which \$293 million is new needs and the remainder is other adjustments. New York City provides approximately 47 percent of the funding for the Department.

State Funding

The DOE's Fiscal 2017 Preliminary Budget shows a \$366.7 million increase in State funds as compared to the Fiscal 2016 Adopted Budget. It is important to note that the projected State funds reflected in DOE's Preliminary Plan do not match the State's Executive Budget,

but rather reflect what the City expects to receive in the State's Enacted Budget. In total, the Governor's proposed 2016-2017 aid to New York is \$160 million less than the City's financial plan is projecting. Other State aid, including formula and categorical aid remains approximately the same as the previous year.

- **Foundation Aid.** The Fiscal 2017 Preliminary Budget includes a \$422 million increase in Foundation Aid compared to the Fiscal 2016 Adopted Budget. The Administration projected this increase based on normal growth rates for the State. This amount could decrease if it is not reflected in the Enacted State Budget. The discrepancy in foundation aid between the two budgets is \$148.7 million.
- **Charter School Costs.** Additionally, there are other increased expenses proposed in the State's Executive Budget that could affect New York City that are not reflected in the Preliminary Plan. For example, the 2016-2017 Executive Budget recommends unfreezing the charter school per pupil tuition rate for schools in New York City, which would increase the amount the DOE is mandated to spend on charter schools, however this potential increased expense is not reflected in the City's Preliminary Plan.

Federal Funding

The DOE's Fiscal 2017 Preliminary Budget includes a \$17.6 million increase in federal funds compared to the Fiscal 2016 Adopted Budget. This increase is due to an increase in federal funding to support the breakfast program. The actual increase to the breakfast program is \$27.5 million; however, it is offset by a decrease in other federal funding. In total, the Preliminary Plan reflects a loss of \$9.9 million. However, the majority of federal funding remains unchanged compared to last year. Federal aid is a smaller portion of DOE's budget, comprising only seven percent.

Other Categorical Funding

Other Categorical funding in Fiscal 2017 includes \$50 million in private grants, \$49.5 from the SCA for capital work performed by the School Facilities Division, \$1 million for non-resident tuition, and \$5.3 million for the Retirement System (BERS). Overall, there is a decrease when compared to the Fiscal 2016 Adopted Budget due to a loss in revenue from the SCA of \$31 million. This reduction is more accurately described as an underestimate. It is unlikely that the SCA will reduce the amount of work that it assigns to the School Facilities Division next year, especially given the increase in funding for the Five-Year Capital Plan and the current competitiveness of the construction market.

Miscellaneous Revenue

In addition to revenue from outside sources, the Department also generates revenue from several programs. DOE's miscellaneous revenue is projected to total \$55.9 million in Fiscal 2017. This includes \$12.8 million in school lunch fees, \$8.2 million in grant refunds, \$28 million in extended use fees charged to organizations that rent space in school buildings on nights and weekends, and \$7 million in sundries such as UFT fees. (See Appendix A).

Council Initiatives

The City Council added \$32.6 million to the City's Fiscal 2016 Budget to fund a variety of education initiatives, which are listed in the chart below. Fiscal 2016 Council additions included \$2.4 million for a new Restorative Justice Program across the City. This allocation supports a pilot program across 25 schools to change the school culture and approach to disciplinary policies. The Council also funded a new position at DOE, the LGBT Students' Liaison, at \$100,000. This allowed the DOE to hire a dedicated staff person to specifically address the needs of LGBT youth. Other highlights include: an increase of \$595,000 for Dropout Prevention as compared to the previous year, \$1.55 million for MS Extra, an increase of \$225,000 for Community Schools and an additional \$125,000 for Small School Athletic League as compared to the Fiscal 2015 Budget.

Chart 3: Fiscal 2016 Council Initiatives <i>Dollars in Thousands</i>	
General Education Instruction & School Leadership	
Bridge to Tomorrow	\$1,150
CHAMPS	125
MS Extra	1,550
NASA Globe Program	130
Restorative Justice Program	2,400
Small Schools Athletic League	1,000
STEM Teacher's College	250
Teacher's Choice	9,685
Subtotal	\$16,290
Central Administration	
Chess in the Schools	\$400
Child Mind Institute	500
Community Schools	475
Dropout Prevention and Intervention	1,595
Executive Leadership	450
LGBT Students' Liaison	200
MOUSE	275
Urban Advantage	\$3,500
Subtotal	\$16,290
TOTAL	\$32,580

- **Bridge to Tomorrow.** The Council provided \$1.15 million to support DOE staff at Workforce One Centers to provide GED assessments, preparation and testing to clients. The Council provided the same level of support the previous year.
- **CHAMPS.** The Council provided \$125,000 to improve fitness levels and the overall health of middle school students by increasing opportunities to engage in physical activity. CHAMPS promotes health-related fitness through before and after school sports programs in over 200 schools. The Council funded this initiative at the same level as last year.
- **Chess in Schools.** This allocation of \$400,000 for Chess in the Schools offers chess classes during the school day, school chess clubs and the Project Chess initiative that

trains teachers to teach chess and launch chess education programs. This initiative was funded at the same level last year.

- **Child Mind Institute.** The Council provided \$500,000 to support the Child Mind Institute's Teacher-Child Interaction Training program. The program aims to provide teachers in public schools with a specific set of skills so they can better manage disruptive behaviors in the classroom.
- **Community Schools.** The Council provided \$470,000, which supports a restoration of \$250,000 and an enhancement of \$220,000 for Community Schools. Community partners work with participating schools to create strategies that tie specific health and social services directly to the schools' students and their families and communities.
- **Dropout Prevention and Intervention Initiative.** The Council provided \$1.6 billion to support dropout prevention and intervention programs. Contracted providers offer a range of student supports, school restructuring and professional development services.
- **Executive Leadership Institute.** The Council provided \$450,000 to maintain funding for the Executive Leadership Institute operated by the Council of School Supervisors and Administrators, which maintains five borough learning centers and provides professional development and training to principals and other school leadership staff.
- **LGBT Students Liaison.** The Council provided \$100,000 to support the DOE in hiring a dedicated staff person to be the LGBT liaison for schools to specifically address the needs of LGBT youth. This staff position also helps the DOE address the intersectionality of race, sexual orientation and gender identity. Additionally, the Council provided \$100,000 to support professional development for public school teachers.
- **MOUSE.** The Council provided \$275,000 for Making Opportunities for Upgrading Schools and Education (MOUSE) to provide training for middle school and high school students in technology, digital media, and computer science. This is the same level of funding the Council provided the previous year.
- **MS Extra.** The Council provided \$1.55 million to support extended school day in 20 middle schools, which includes intense literacy training for high needs students.
- **NASA Globe Program.** The Council provided \$130,000 to support NASA's Global Learning Observations to Benefit the Environment (GLOBE) program in 22 schools across New York City.
- **Restorative Justice Program.** This allocation of \$2.4 million supports the implementation of a pilot restorative justice program in 25 schools in order to change their culture and approach to school disciplinary policies.
- **Small Schools Athletic League.** This allocation of \$1 million represents a restoration of \$875,000 and an enhancement of \$125,000 to support funding for sports in public high schools in the Small Schools Athletic League.
- **STEM Teachers College.** The Council provided \$250,000 to support a pilot program to be conducted by Teachers College, which focuses on 10 schools, five elementary and

five middle schools. This initiative serves low-income students to help the schools better incorporate technology in the classroom.

- **Teacher's Choice.** The Council provided approximately \$9.69 million, which represents a \$6 million restoration and a \$3.6 million enhancement, to reimburse teachers and other school staff for purchases of supplies used for student instruction.
- **Urban Advantage.** The Council provided \$3.5 million, which represents a \$2.5 million restoration and a \$1 million enhancement to the Urban Advantage Science Education program, a collaboration of seven science oriented institutions, to provide professional development for middle school science teachers, school and class-based resources and assist middle school students in completing state-mandated exit projects and requirements.

Financial Plan Summary

The DOE's expense budget is organized by unit of appropriation (U/A), each of which represents a function of the Department and is listed below. Following the list, the Financial Plan Summary displays the DOE's budget by U/A. In the list below, direct service areas, meaning functions and services 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.

1. General Instruction and School Leadership (U/As 401 and 402)
2. Special Education Instruction and School Leadership (U/As 403 and 404)
3. Charter Schools (U/A 406)
4. Universal Pre-Kindergarten (U/As 407 and 408)
5. School Support Organization (U/As 415 and 416)
6. Citywide Special Education Instruction and School Leadership (U/As 422 and 423)
7. Special Education Instructional Support (U/As 423 and 424)
8. School Facilities (U/As 435 and 436)
9. Pupil Transportation (U/A 438)
10. School Food Services (U/As 439 and 440)
11. School Safety (U/A 442)
12. Energy and Leases (U/A 444)
13. Central Administration (U/As 453 and 454)
14. Fringe Benefits (U/A 461)
15. Special Education Pre-Kindergarten Contract (U/A 470)
16. Contract School/Forster Care (U/A 472)
17. Non-Public School and FIT (U/A 474)
18. Categorical Programs (U/As 481 and 482)

Since June, the Fiscal 2017 budget has grown by \$971.5 million, which is reflected in the chart below. This growth is comprised of increased funding at the City, State and federal levels. The November Plan had minimal changes to the DOE's budget and added

approximately \$23 million to the now proposed \$22.9 billion budget. Due to that fact, the increased funding is largely reflected in the Fiscal 2017 Preliminary Plan.

Chart 4: DOE Financial Plan Summary						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		2016 - 2017 *Difference
				2016	2017	
Budget by Unit of Appropriation						
401 - GE Instr. & Sch Ldrshp - PS	\$5,556,694	\$5,713,488	\$5,844,621	\$5,851,071	\$6,213,675	\$369,054
402 - GE Instr. & Sch Ldrshp - OTPS	675,613	660,052	761,531	762,776	770,775	9,243
403 - SE Instr. & Sch Ldrshp - PS	1,261,228	1,387,735	1,404,535	1,403,952	1,489,657	85,122
404 - SE Instr. & Sch Ldrshp - OTPS	3,176	4,181	3,976	4,150	4,150	174
406 - Charter Schools	1,065,338	1,308,880	1,476,588	1,476,588	1,676,735	200,147
407 - Universal Pre-K - PS	0	0	385,508	388,415	362,781	(22,727)
408 - Universal Pre-K OTPS	0	0	423,371	423,478	411,190	(12,181)
415 - School Support Orgs. - PS	147,645	231,346	258,501	264,623	276,588	18,087
416 - School Support Orgs. - OTPS	10,477	39,739	27,680	30,357	32,072	4,392
421 - Citywide SE Instr. & Sch Ldrshp - PS	807,030	875,994	956,173	956,558	1,017,144	60,971
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	15,340	20,439	20,979	21,004	21,004	25
423 - SE Instructional Support - PS	241,394	252,463	276,852	274,857	299,694	22,843
424 - SE Instructional Support - OTPS	220,686	230,721	230,037	232,793	237,668	7,632
435 - School Facilities - PS	393,546	433,937	445,017	443,799	462,785	17,768
436 - School Facilities - OTPS	398,329	436,292	305,149	366,649	279,832	(25,317)
438 - Pupil Transportation - OTPS	1,098,848	1,143,838	1,146,456	1,157,571	1,125,957	(20,498)
439 - School Food Services - PS	196,304	214,703	211,668	211,712	222,974	11,306
440 - School Food Services - OTPS	215,750	231,615	274,321	272,124	295,108	20,787
442 - School Safety - OTPS	309,676	330,581	335,714	335,785	347,044	11,330
444 - Energy & Leases - OTPS	514,180	468,100	498,066	498,066	498,079	12
453 - Central Administration - PS	149,017	163,947	174,551	178,913	192,722	18,171
454 - Central Administration - OTPS	181,962	171,357	164,375	175,120	169,457	5,082
461 - Fringe Benefits - PS	2,837,784	2,876,580	3,043,660	3,054,014	3,237,539	193,879
470 - SE Pre-K Contracts - OTPS	824,810	844,399	909,862	848,955	854,198	(55,664)
472 - Contract Sch/Carters/Foster Care - OTPS	611,452	641,613	652,496	652,496	677,366	24,870
474 - Non-Public and FIT - OTPS	70,173	65,086	66,691	67,209	64,560	(2,130)
481 - Categorical Programs - PS	1,227,270	1,242,413	1,011,696	1,012,413	1,037,287	25,591
482 - Categorical Programs - OTPS	805,213	1,009,864	599,636	607,052	603,142	3,506
491 - Collective Bargaining	246,354	0	0	0	0	
TOTAL	\$20,085,287	\$20,999,365	\$21,909,709	\$21,972,502	\$22,881,183	\$971,474

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

As outlined in the chart above, the largest growth is in U/A 401, General Instruction and School Leadership PS. Funding under this U/A would support many of the new needs proposed in the Fiscal 2017 Preliminary Plan including Universal Literacy, College Visits and Access, Algebra for All, AP for All, Single Shepherd, and many of the restorative practices programming happening directly in schools. U/A 401 is approximately 26 percent of the entire DOE budget. The second largest growth proposed for the next fiscal year can be seen in payments to charter schools and is projected to increase by \$200.1 million, making the total payments to charter schools approximately \$1.7 billion. Charter school payments comprise seven percent of the DOE's budget. A further increase in payments to charter schools for Fiscal 2017 is expected if the State raises charter school tuition rates, as proposed by the Governor. Another large area of growth is for U/A 461, Fringe Benefits, with an increase of \$193.9 million. The total budget for fringe benefits in Fiscal 2017 is projected to be \$3.3 billion, or 14 percent of the DOE's total budget.

Part of the growth in U/A 401 and U/A 461 is also due to an increase in headcount, which is reflected in the chart below. The DOE projects to increase full-time, pedagogical positions

by 529 and full-time, non-pedagogical by 210 positions for a total headcount increase of 739. A total of 586 positions were included in the Fiscal 2017 Preliminary Plan and the remainder were added under previous actions.

Chart 5: DOE Headcount <i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Positions						
Full-Time Pedagogical	109,901	112,272	114,168	114,224	114,697	529
Full-Time Non-Pedagogical	11,411	11,693	10,813	10,923	11,023	210
TOTAL	121,312	123,965	124,981	125,147	125,720	739

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget and sets forth anticipated contractual spending for each agency by unit of appropriation, broken down by object codes, number of contracts per category and the corresponding dollar value anticipated to be expended in each category. The City's Contract Budget, as proposed, totals \$13.16 billion in Fiscal 2017.

The DOE historically has one of the largest agency contract budgets and in Fiscal 2017 it would make up 54 percent of the City's total \$13.16 billion Contract Budget. The Fiscal 2017 Preliminary Contract Budget includes a total of \$7.2 billion for the DOE's 5,601 contracts. This is 32 percent of DOE's Fiscal 2017 Preliminary Budget.

The greatest areas of contractual spending are for Contract Schools and Pupil Transportation. Contract Schools are projected to total \$3.1 billion in Fiscal 2017 and another \$1.2 billion is for Pupil Transportation, combined totaling 18 percent of the DOE's total budget. The category Contract Schools includes payments to charter schools, which total \$1.7 billion in Fiscal 2017. The contract budget should be amended to include a new category specifically for charter schools since they comprise such a large portion of contract school spending at 54 percent. Another major area of contractual spending is for Direct Education Services at \$806 million. Additional contractual categories and projected spending is outlined in the table below.

Chart 6: DOE Preliminary Contract Budget <i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Contractual Services General	\$96,599	8	\$113,928	58
Telecommunications Maintenance	15,525	48	11,762	48
Maint & Rep Motor Veh Equip	178,324	6	178,324	6
Office Equipment Maintenance	1,823	58	1,823	58
Data Processing Equipment	10,958	72	26,349	72
Printing Contracts	5,531	53	5,989	53
Security Services	322,416	4	322,416	4
Temporary Services	20,435	76	23,391	76
Cleaning Services	180,553	3	180,553	3
Transportation Expenditures	4,882	24	4,882	24
Bus Transportation Reimbursable Programs	53,111	1	53,111	1
Transportation of Pupils	1,136,217	344	1,158,120	344
Payments Contract/Corporate Schools	2,851,528	1,966	3,099,230	1,966
Training Program City Employees	4,367	2	4,367	2
Maintenance & Operation of Infrastructure	173,468	416	156,778	416
Payments to Delegate Agencies	59,225	1	59,225	1
Prof Services Accounting & Auditing	1,610	2	1,610	2
Prof Services Legal Services	12,062	52	12,062	52
Prof Services Engineer and Architect	238,229	7	238,229	7
Prof Services Computer Services	40,942	101	44,520	101
Prof Services Direct Education Services	806,085	1,245	717,517	1,245
Prof Services - Other	155,852	433	134,983	433
Bank Charges Public Asst Acct	153,864	1	153,864	1
Prof Services - Curriculum and Prof Development	98,412	602	103,502	603
Education and Rec for Youth Program	379,430	25	379,430	25
TOTAL	\$7,001,448	5,550	\$7,185,965	5,601

School Budgets

The City's over 1,800 public schools each have an individual school budget that is funded by the Department of Education through a variety of allocation formulas and pass-through funding. Most of the funding that is allocated to schools to support 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).

Although 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. One major area of funding that is no longer budgeted in these U/As is for UPK, which now has two new U/As 407 and 408. Therefore, funding for schools to support UPK is not described here under School Budgets and is instead in an upcoming section on U/As 407 and 408 Universal Pre-Kindergarten.

This section on school budgets 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 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. The budget information is citywide. More detailed school-level budgetary information is made available by the DOE on its website at <http://schools.nyc.gov>.

Chart 7: UAs 401 & 402, 403 & 404, and 481 & 482 - School Budgets						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$6,711,108	\$6,951,625	\$6,923,607	\$6,946,166	\$7,408,678	\$485,070
Full-Time Salaried - Non-Pedagogical	185,234	164,428	168,032	145,725	146,533	(21,498)
Fringe Benefits	339,892	350,043	373,955	374,133	373,889	(66)
Additional Gross Pay	352,033	387,839	409,671	410,585	418,240	8,569
Other Salaried & Unsalaries	439,549	471,114	369,008	374,243	376,706	7,698
Overtime- Civilian	6,030	6,004	3,532	3,532	3,532	0
PS Other	(1023.75)	(205.16)	0	0	0	0
Subtotal PS	\$8,032,822	\$8,330,848	\$8,247,806	\$8,254,385	\$8,727,579	\$479,773
Other Than Personal Services						
Total Contractual Services	\$600,423	\$728,640	\$542,277	\$544,248	\$550,596	\$8,319
Private Schools	131,281	270,928	25,310	25,310	25,310	0
Transportation Services	28,510	32,762	3,867	3,867	3,867	0
Professional Services	390,984	375,929	476,497	471,830	477,712	1,215
Social Services	950	1,359	379	379	379	0
Contractual Other	48,697	47,661	36,223	42,861	43,327	7,104
OTPS Other	883,580	945,458	822,866	829,731	827,471	4,605
Subtotal OTPS	\$2,084,426	\$2,402,737	\$4,487,163	\$1,918,226	\$1,928,662	\$21,242
TOTAL	\$10,117,247	\$10,733,585	\$12,734,968	\$10,172,611	\$10,656,241	\$501,016
Positions						
Full-Time Positions - Pedagogical	95,117	96,604	93,121	93,173	93,965	844
Full-Time Positions - Non-Pedagogical	3,618	3,373	3,192	3,158	3,109	(83)
TOTAL	98,735	99,977	96,313	96,331	97,074	761

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The Fiscal 2017 Preliminary Budget includes \$10.7 billion for school budgets, a \$501 million increase when compared to the Fiscal 2016 Adopted Budget. Funding for school budgets is 47 percent of the entire DOE budget. The total growth for school budgets includes an increase of \$479.8 million in PS and \$21.2 million in OTPS. The majority of the PS increase is due to a \$485 million increase for full-time salaried pedagogical staff. The OTPS increase is primarily due to contractual services. Chart 7 above also shows an increase of 844 full-time pedagogues and a decrease of 83 non-pedagogues, of which 586 are new positions proposed by the Administration in the Fiscal 2017 Preliminary Plan.

Many of the Administration's priorities and new needs are funded under these U/As, which provide services directly in schools. For example, under U/A 401 Algebra for All is funded

at \$10.1 million with a headcount increase of nine positions in order to provide this program in schools. AP for All is funded at \$7.3 million, which would go directly into a school's budget, with a headcount increase of 134 positions in order to expand AP courses in high schools. U/A 401 College Visits and Access is funded at \$1.2 million with no headcount added, meaning this program will be provided by current staff. The Single Shepherd program has a headcount increase of 130 positions and provided \$7.7 million in U/A 401 for schools. Universal Literacy is funded at \$1.2 million with a headcount increase of 11 positions. The School Climate Initiative would also provide funding directly to schools, however, Safe and Supportive Opportunity Program Expanded (SSOPE) is the only school climate initiative with a headcount increase, which totals 28 positions. The program itself is funded at \$2.5 million under U/A 401. Renewal Professional Development provided \$199,759 to schools, Restorative Practices for D18 and Warning Card Schools would provide \$128,319, and Restorative Practices Internal Capacity Building is funded at \$408,192. Fair Student Funding is also under U/A 401 with an increase of \$108.5 million. The State mandated additional funding for ELLs is provided here under the program 6th Period Coverage at \$1.3 million. In total, the Fiscal 2017 Preliminary Plan includes approximately \$140 million directly to schools to support new needs.

These programs are also funded through U/A 402 in order to support the direct service of providing the program. Algebra for All is funded at \$9.7 million, AP for All at \$1.5 million, College Visits and Access at \$3.7 million, and Single Shepherd at \$2.6 million. Restorative Practices for D18 and Warning Card Schools are funded at \$600,809, Restorative Practices Internal Capacity Building at \$137,944, and SSOPE at \$2.3 million. School budget funding under U/A 402 totals \$25.4 million in the Fiscal 2017 Preliminary Plan to support new needs.

School budget funding under U/A 403 provides support for 6th Period Coverage at \$190,984 and Fair Student Funding at \$16.2 million. The total school budget funding to support new needs in U/A 403 is \$16.4 million in the Preliminary Plan.

Chart 8: Teachers Headcount							
Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Teachers	73,844	74,103	74,922	*	*	75,040	76,039
Teachers with 5 or more years teaching experience (%)	75.80%	75.30%	71.20%	*	*	71.30%	68.50%
Teachers hired to fill projected vacancies	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Principals with more than 4 years of experience as principal	61.00%	59.50%	60.00%	*	*	NA	NA
Teachers absent more than 10 days	14.30%	15.90%	14.10%	*	*	NA	NA

Source: Fiscal 2016 Preliminary Mayor's Management Report

Chart 8 above shows that teacher headcount has consistently increased since Fiscal 2013. In addition to the statistics included in the PMMR, pursuant to a term and condition in the Fiscal 2016 Adopted Budget, the DOE is required to provide the Council with quarterly reports, which are available at http://council.nyc.gov/html/budget/fy16_documents.shtml.

on the actual headcount funded through U/As 401, 403 and 481. As of December 2016, DOE schools employed a total of 103,641 full and part-time staff as reflected in U/As.

Chart 9: Class Size							
Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Average class size (end of January) (Audited) – Kindergarten	23.1	22.8	22.9	22.8	22.8	22.9	22.6
Grade 1	24.6	25.1	24.9	25.1	25.1	25	24.9
Grade 2	24.7	25.3	25.3	25.3	25.3	25.3	25.3
Grade 3	25.2	25.5	25.6	25.5	25.5	25.6	25.8
Grade 4	25.5	25.9	26.1	25.9	25.9	26.2	26.1
Grade 5	25.9	26	26	26	26	26	26.2
Grade 6	26.8	26.6	26.4	26.6	26.6	26.5	26.6
Grade 7	27.6	27.1	27.3	27.1	27.1	27.4	27.1
Grade 8	27.6	27.8	27.3	27.8	27.8	27.4	27.4
Schools that exceed capacity - Elementary schools (%)	32.00%	33.00%	65.00%	*	*	NA	NA
Middle schools (%)	13.00%	13.00%	24.50%	*	*	NA	NA
High schools (%)	33.00%	31.00%	48.70%	*	*		
Students in schools that exceed capacity - Elementary/middle schools	29.00%	31.00%	54.00%	*	*	NA	NA
High schools (%)	48.00%	44.00%	48.70%	*	*	NA	NA

Source: Fiscal 2016 Preliminary Mayor's Management Report

The class sizes in any given school results from a combination of factors. The amount of funding available to schools to hire teachers, the number of classrooms in a school, plus choices made by school leaders determines the number of students in each class. The DOE has been criticized over its inability to meet capacity need for its schools, which has resulted in persistent overutilization and overcrowding in many school buildings. Limited school funding has continually kept classes overly large. Chart 9 illustrates several performance statistics from the Fiscal 2016 Preliminary Mayor's Management Report (PMMR), including average class size and the percentage of schools that exceed capacity. Studies show that large class sizes are negatively correlated with student academic performance. Chart 9 shows that class sizes have remained high. The Council expects that with additional funding schools will be able to reverse this trend by adding teachers and reducing class sizes.

General Education Instruction & School Leadership

The first two units of appropriation in the DOE's budget support the core school programs – general education instruction and school leadership. General Education Instruction and School Leadership (General Education) 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.

As Chart 10 indicates, this area of spending is very large, amounting to 30 percent of the DOE's \$22.9 billion Fiscal 2017 projected expense budget. Most of school spending is for

full-time pedagogical staff salaries. The budget shows that schools would employ 63,879 full-time pedagogical staff next year and 2,512 non-pedagogical staff in general education.

Chart 10: UAs 401 & 402 - General Education Instruction & School Leadership						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$4,742,269	\$4,850,714	\$5,042,225	\$5,041,971	\$5,389,897	\$347,672
Full-Time Salaried - Non-Pedagogical	148,243	129,639	125,095	125,439	129,531	4,436
Additional Gross Pay	250,491	280,355	318,043	318,798	326,816	8,773
Other Salaried & Unsalaries	329,115	337,123	275,745	281,351	283,919	8,173
Fringe Benefits	82,368	99,100	81,393	81,393	81,393	0
Overtime Civilian	5,198	4,998	2,120	2,120	2,120	0
PS Other	(1,058)	(2,051)	0	0	0	0
Subtotal	\$5,556,625	\$5,699,878	\$5,844,621	\$5,851,071	\$6,213,675	\$369,054
Other Than Personal Services						
Contractual Services	\$206,425	\$189,083	\$181,402	\$182,040	\$195,221	\$13,819
OTPS Other	469,188	470,969	580,130	580,736	575,554	(4576)
Subtotal	\$675,613	\$660,052	\$761,531	\$762,776	\$770,775	\$9,243
TOTAL	\$6,232,238	\$6,359,930	\$6,606,152	\$6,613,847	\$6,984,450	\$378,298
Positions						
Full-Time Positions - Pedagogical	62,285	62,081	63,535	63,587	63,879	344
Full-Time Positions - Non-Pedagogical	3,067	2,767	2,545	2,511	2,512	(33)
TOTAL	65,352	64,848	66,080	66,098	66,391	311

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Chart 10 illustrates that funding for General Education is projected to increase by \$378.3 million in Fiscal 2017 when compared to the Fiscal Year 2016 Adopted Budget. The growth is largely due to an increase in spending in U/A 401, PS General Instruction and School Leadership. Most of this growth is attributed to the increase in Fair Student Funding (FSF), which would increase school budgets for all schools operating under 87 percent of funding. The total FSF increase for general education in the Fiscal 2017 Preliminary Plan is projected to be \$108.5 million.

Special Education Instruction & School Leadership

The Special Education Instruction and School Leadership (Special Education Instruction) budget, U/As 403 and 404, supports the special education programs provided by schools. The largest of these programs is integrated co-teaching (ICT). ICT 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, administrators, supplies, and services purchased to support special education are paid for by schools and funded through U/As 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. Special Education Instruction totals six percent of the Fiscal 2017 Preliminary Budget.

Chart 11: UAs 403 & 404 – Special Education Instruction & School Leadership						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$1,223,121	\$1,333,457	\$1,346,095	\$1,368,907	\$1,454,603	\$108,509
Full-Time Salaried - Non-Pedagogical	1,440	407	23,484	472	472	(23,012)
Other Salaried & Unsalariated	28,213	42,761	23,719	23,348	23,357	(361)
Fringe Benefits	1,812	2,186	3,265	3,265	3,265	0
Additional Gross Pay	6,436	8,716	7,974	7,960	7,960	(14)
PS Other	206	208	0	0	0	0
Subtotal	\$1,261,227	\$1,387,735	\$1,404,535	\$1,403,952	\$1,489,657	\$85,122
Other Than Personal Services						
Contractual Services	\$630	\$1,281	\$761	\$761	\$761	\$0
OTPS Other	2,546	2,900	3,215	3,389	3,389	174
Subtotal	\$3,176	\$4,181	\$3,976	\$4,150	\$4,150	\$174
TOTAL	\$1,264,404	\$1,391,916	\$1,408,512	\$1,408,102	\$1,493,807	\$85,296
Positions						
Full-Time Positions - Pedagogical	22,627	24,342	22,993	22,993	23,493	500
Full-Time Positions - Non-Pedagogical	15	6	9	9	9	0
TOTAL	22,642	24,348	23,002	23,002	23,502	500

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Funding for Special Education Instruction is projected to increase by \$85.1 million in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget. The entire growth is in PS for full-time pedagogical positions with headcount increasing by 500 positions. This increase was scheduled in a prior plan and is not associated with any action in the Preliminary Budget. As per the Fiscal 2016 Adopted Budget term and condition, the Department provides quarterly reports to the Council on staff headcount. According to the FY 2016 Second Quarterly Headcount Report, the DOE had a total staff headcount of 24,855 in U/A 403 as of January 28th, 2016.

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 of Education's budget include most, but not all, categorical aids. Most of the funds budgeted in U/As 481 and 482 go directly to public schools, while some of it supports contractual 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 is scheduled

to receive \$679.1 million in Title I funding in Fiscal 2017. Title IIA funds support professional development activities for teachers and other staff at \$108 million. Other school programs for which the Department receives federal categorical aids include funding for the education of homeless children, breakfast and lunch programs. State categorical aids include, but are not limited to, employment preparation education and bilingual education.

Chart 12: UAs 481 & 482 – Categorical Programs						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	2014	2015	2016	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried – Pedagogical	\$745,718	\$767,455	\$535,288	\$535,288	\$564,178	\$28,890
Full-Time Salaried - Non-Pedagogical	35,552	34,381	19,453	19,813	16,530	(2,923)
Other Salaried & Unsalaries	82,220	91,229	69,544	69,544	69,430	(114)
Fringe Benefits	268,075	261,539	302,338	302,522	302,272	(66)
Additional Gross Pay	95,045	87,011	83,654	83,827	83,464	(190)
PS Other	660	798	1,419	1,419	1,413	(6)
Subtotal	\$1,227,270	\$1,242,413	\$1,011,696	\$1,012,413	\$1,037,287	\$25,591
Other Than Personal Services						
Contractual Services	\$393,367	\$538,275	\$360,114	\$361,446	\$354,614	(\$5,500)
OTPS Other	411,846	471,588	239,522	245,606	248,528	9,006
Subtotal	\$805,213	\$1,009,864	\$599,636	\$607,052	\$603,142	\$3,506
TOTAL	\$2,032,484	\$2,252,277	\$1,611,331	\$1,619,466	\$1,640,429	\$29,097
Positions						
Full-Time Positions – Pedagogical	10,205	10,181	6,593	6,593	6,593	0
Full-Time Positions - Non-Pedagogical	536	600	638	638	588	(50)
TOTAL	10,741	10,781	7,231	7,231	7,181	(50)

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

As shown in Chart 12, funding for Categorical Programs would increase by \$25.5 million in Fiscal 2017 when compared to Fiscal 2016 at adoption. PS spending on full-time pedagogical positions is projected to increase by \$28.9 million. This is offset by a decrease in all other Personal Services, as well as a decrease in OTPS Contractual Services. The headcount adjustments for non-pedagogical staff reflect this decrease as the number of non-pedagogical positions decreases by 50. The headcount drop shown between Fiscal 2015 and Fiscal 2016 is largely due to the creation of a new unit of appropriation for universal pre-kindergarten. Prior to Fiscal 2016, most pre-kindergarten spending could be found under U/As 481 and 482. Additionally, through Fiscal 2015, DOE's staff was funded with state pre-kindergarten funding under this U/A. The Universal Pre-Kindergarten budget is now in U/As 407 and 408.

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 and 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, contains funds for centrally-managed special education related services such as

occupational therapy, physical therapy and nurses. The DOE uses both employees and contractual providers to deliver mandated services to students. Funding budgeted here also pays for evaluations of students performed by school-based support teams.

Chart 13: UAs 421 & 422 - Citywide Special Education						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Citywide SE- UAs 421 & 422						
Personal Services						
Full-Time Salaried - Pedagogical	\$694,009	\$737,293	\$897,025	\$874,014	\$934,267	\$37,242
Full-Time Salaried - Non-Pedagogical	41,924	44,435	17,080	40,092	40,184	23,104
Other Salaried & Unsalariad	39,442	45,531	23,325	23,695	23,935	611
Fringe Benefits	238	291	216	216	216	0
Additional Gross Pay	30,279	47,298	18,528	18,541	18,542	14
PS Other	1,139	1,146	0	0	0	0
Subtotal PS	\$807,030	\$875,994	\$956,173	\$956,558	\$1,017,144	\$60,971
Other Than Personal Services						
Contractual Services	\$2,267	\$2,973	\$3,874	\$3,874	\$3,874	\$0
OTPS Other	13,073	17,466	17,106	17,131	17,131	25
Subtotal OTPS	\$15,340	\$20,439	\$20,979	\$21,004	\$21,004	\$25
Subtotal Citywide SE	\$822,370	\$896,433	\$977,153	\$977,562	\$1,038,148	\$60,996
SE Instructional Support - UAs 423 & 424						
Personal Services						
Full-Time Salaried - Pedagogical	\$88,427	\$90,954	\$134,535	\$131,535	\$151,095	\$16,560
Full-Time Salaried - Non-Pedagogical	108,105	106,367	107,483	107,882	112,388	4,905
Other Salaried & Unsalariad	28,541	29,643	24,641	25,246	26,018	1,377
Fringe Benefits	460	488	450	450	450	0
Additional Gross Pay	14,493	22,256	9,243	9,243	9,243	0
PS Other	1,366	1,991	500	500	500	0
Subtotal PS	\$241,393	\$251,699	\$276,852	\$274,857	\$299,694	\$22,843
Other Than Personal Services						
Contractual Services	\$208,466	\$221,129	\$222,957	\$222,006	\$230,388	\$7,431
Fixed & Misc. Changes	3	4	0	0	0	0
Other Services & Changes	4,077	4,634	4,066	6,246	4,087	21
Property & Equipment	2,736	2,158	2,250	3,404	2,056	(194)
Supplies & Material	5,404	2,797	764	1,137	1,137	374
Subtotal OTPS	\$220,686	\$230,721	\$230,037	\$232,793	\$237,668	\$7,632
Subtotal SE Instructional Support	\$462,079	\$482,421	\$506,888	\$507,650	\$537,363	\$30,474
TOTAL CW SE & SE INSTR. SUPPORT	\$1,284,449	\$1,378,853	\$1,484,041	\$1,485,212	\$1,575,511	\$91,470
Positions						
Full-Time Positions - Pedagogical	14,112	14,576	14,758	14,758	14,758	0
Full-Time Positions - Non-Pedagogical	2,613	2,812	2,618	2,625	2,625	7
TOTAL	16,725	17,388	17,376	17,383	17,383	7

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The total citywide special education budget is projected to be \$1.6 billion in Fiscal 2017, of which \$1 billion would be spent on PS and the direct instruction of students and \$21 million would be spent on OTPS. This is seven percent of the Fiscal 2017 Preliminary Budget for DOE. Additionally, \$537.4 million would be spent on special education support. The total citywide special education budget is projected to increase by almost \$91.5 million when compared to the Fiscal 2016 Adopted Budget. Some of this increase is reflected in the

change in headcount, which increases the full-time non-pedagogical staff by seven positions.

Chart 14: Special Education Enrollment							
Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Students receiving special education services (preliminary unaudited)	225,325	260,791	270,722	*	*	260,719	272,271
Special education enrollment - School-age	199,302	230,928	239,619	*	*	235,109	249,007
- Public school	176,360	192,110	200,259	*	*	197,700	205,728
- Non-public school	22,942	38,818	39,360	*	*	37,409	43,279
Special education enrollment - Pre-school	26,023	29,863	31,103	*	*	25,610	23,264
- Public school	648	1,502	1,420	*	*	1,286	1,626
- Non-public school	25,375	28,361	29,683	*	*	24,324	21,638
Students recommended for special education	15,259	27,651	28,995	*	*	4,985	5,212
Students no longer in need of special education	7,119	5,464	5,726	*	*	1,525	1,955
Students in special education scoring below standards progressing into a higher level –							
English Language Arts	3.40%	6.70%	16.40%	20.00%	20.00%	NA	NA
-Math	3.60%	11.40%	13.50%	23.20%	23.20%	NA	NA

Chart 14 shows that the number of students receiving special education services has increased, which corresponds with the increased budget for these services and the increase in headcount. The chart also shows the increase of school-aged students, both in public and private schools, who are enrolled in special education services. The number of students enrolled in special education pre-schools increased in non-public schools, however, it decreased in public schools. Additionally, both the number of students recommended for and those no longer in need of special education increased. Pursuant with Local Law 27 of 2015, the DOE provides to the Council additional information regarding students receiving special education services. According to the report, 95 percent of students with Individual Education Programs (IEPs) were either fully receiving or partially receiving the specialized instructional services they require, 60 percent of students are fully receiving services, and 35 percent are partially receiving services. It is important to note that according to the DOE, they believe that the percentage of students reported fully receiving services is understated, while those partially receiving is overstated. According to the DOE, these reporting issues are due to problems with their data tracking system.

Charter School

Charter schools are privately operated schools that run under a public charter issued by 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. As per the Fiscal 2016 Adopted Budget term and condition, the Department provides semi-annual reports to the Council on charter schools. According to this report, as of December 2015, there were 209 charter schools with all but four located in New York City. These schools are serving a total of 93,910 students and 12,908 of them are in special education. The City pays charter schools a per pupil rate that is set by the State. In the 2016-2017 school year the rate is \$13,877 per general education student and more for special education students, although this rate varies and depends on the special education student's need.

Chart 15: UA 406 - Charter Schools*Dollars in Thousands*

	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
		2016	2017	
Spending				
Other Than Personal Services Contracts				
Contractual Services - Private Schools	\$1,446,511	\$1,446,511	\$1,630,339	\$183,828
Other Services & Charges	22,351	22,351	38,120	15,769
Property and Equipment	7,053	7,053	7,440	387
Supplies & Materials	673	673	836	163
TOTAL	\$1,476,588	\$1,476,588	\$1,676,735	\$200,147

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Funding for charter schools is projected to total \$1.7 billion in Fiscal 2017, a \$200.1 million increase when compared to the Fiscal 2016 Adopted Budget. The Administration only includes growth in existing charter schools in its Preliminary Budget projection and does not show projections for new charter schools. Therefore, we expect to see a higher spending projection for charter schools in the City's Executive Budget when the costs of newly opening charter schools are factored in.

Universal Pre-Kindergarten

At the request of the Council, the Department of Education added two new U/As for Universal Pre-Kindergarten (UPK) beginning in Fiscal 2016. U/As 407 and 408 include the PS and OTPS spending for UPK to provide transparency for the spending of this program. UPK is now available for all four year olds in New York City in the following types of settings: 1) DOE Pre-K Centers: programs exclusively for pre-k students led and operated by the DOE; 2) DOE District Schools: programs located within public elementary schools and overseen by the school's principal; 3) NYC Early Education Centers: community-based organizations that contract with the DOE to provide pre-k; and 4) Charter Schools: programs that operate under state-authorized charter.⁵

⁵ NYC Department of Education, *Pre-Kindergarten*. <http://schools.nyc.gov/ChoicesEnrollment/PreK/default.htm>

Chart 16: UAs 407 & 408 –Universal Pre-Kindergarten*Dollars in Thousands*

	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
		2016	2017	
Spending				
Personal Services				
Full-Time Salaried – Pedagogical	\$259,771	\$262,677	\$244,216	(\$15,555)
Full-Time Salaried - Non-Pedagogical	32,197	32,197	32,197	0
Unsalaries	1,281	1,281	1,281	0
Fringe Benefits	92,259	92,259	85,088	(7,172)
Subtotal	\$385,508	\$388,415	\$362,781	(\$22,727)
Other Than Personal Services				
Contractual Services	\$314,626	\$314,626	\$315,433	\$807
Fixed & Misc. Charges	0	4	0	0
Other Services & Charges	86,961	86,957	86,961	0
Property & Equipment	6,758	6,865	1,209	(5,549)
Supplies & Materials	15,026	15,026	7,587	(7,439)
Subtotal	\$423,371	\$423,478	\$411,190	(\$12,181)
TOTAL	\$808,879	\$811,893	\$773,971	(\$34,908)
Positions				
Full-Time Positions - Pedagogical	5,058	5,058	4,735	(323)
Full-Time Positions - Non-Pedagogical	203	203	203	0
TOTAL	5,261	5,261	4,938	(323)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Chart 16 above demonstrates spending on UPK since the Adopted 2016 budget. Prior to Fiscal 2016 UPK spending was budgeted in several different U/As. Funding for UPK is projected to decrease by \$34.9 million when comparing the Fiscal 2016 Adopted Budget and the Fiscal 2017 Preliminary Budget. This is reflected by a decrease in headcount and spending for full-time pedagogical staff. There is an increase in spending on contractual services by \$807,000; however that is offset by a decrease in property, equipment, supplies and materials. The total UPK budget for the Fiscal 2017 Preliminary Plan is \$774 million. It is important to note that enrollment for UPK is not decreasing even though funding has declined. As of October 2015, there were 71,337 students enrolled in UPK compared to 66,000⁶ in Fiscal 2015. According to the Administration, UPK funding was higher in previous years due to increased costs associated with starting the program. For example, there were additional costs in the initial years of the UPK expansion in order to outfit centers. Now that programs are up and running, that additional funding is no longer needed and funding to support the program has largely remained flat.

School Support Organizations

Funding budgeted for School Support enables the DOE to provide field-based administrative and operational support to schools. This allocation also supports the community school superintendents, the community district education councils, family engagement staff, student placement offices, and the five integrated service centers that provide business, special education and operational support to schools.

⁶ Number of enrolled students in Universal Pre-Kindergarten is from the FY 2015 Year-End Monitor's Meeting, December 7, 2015.

Chart 17: UAs 415 & 416 - School Support*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary		*Difference
				2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$66,618	\$116,328	\$143,340	\$146,675	\$149,123	\$5,783
Full-Time Salaried - Non-Pedagogical	59,266	90,038	93,180	94,054	104,186	11,006
Overtime - Non-Pedagogical	929	1,061	404	479	404	0
Additional Gross Pay	18,546	20,334	7,954	9,867	9,248	1,294
Other Salaried & Unsalaries	2,279	3,585	13,623	13,548	13,627	4
PS Other	8	0	0	0	0	0
Subtotal	\$147,645	\$231,346	\$258,501	\$264,623	\$276,588	\$18,087
Other Than Personal Services						
Contractual Services	\$4,329	\$30,004	\$10,481	\$21,457	\$14,891	\$4,410
OTPS Other	6,148	9,736	17,199	8,900	17,181	(18)
Subtotal	\$10,477	\$39,739	\$27,680	\$30,357	\$32,072	\$4,392
TOTAL	\$158,122	\$271,086	\$286,181	\$294,980	\$308,660	\$22,479
Positions						
Full-Time Positions - Pedagogical	633	1,039	1,204	1,208	1,212	8
Full-Time Positions - Non-Pedagogical	966	1,300	825	846	956	131
TOTAL	1,599	2,339	2,029	2,054	2,168	139

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

Funding for school support would increase by \$22.5 million in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget. The total School Support budget is projected to be \$308.7 million with \$276.6 million for PS and \$32 million for OTPS. The increase is due to several new needs, which are funded here. Universal Literacy has a headcount increase of 103 positions under U/A 415 and would be funded at \$8.6 million. Single Shepherd has an increase of four positions and projected funding is \$500,000. College Visits and Access is funded under U/A 415 at \$200,000 and the restorative practice programs are funded at \$100,000. The DOE has also proposed hiring four attorneys at \$378,190 PS and \$148,437 OPTS. These attorneys would be hired in the Office of Special Investigations in order to expedite investigations of allegations of improper and unlawful behavior in schools.

Contract Schools, Carter Cases and Foster Care

Funds for Contract Schools, Carter Cases, Foster Care and Blind and Deaf schools are budgeted in U/A 472. 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 lawsuits in which the DOE is ordered by a court to reimburse parents for tuition costs at any private school after showing that the public school placement is inadequate. This program area also includes funding to pay for schooling provided to foster care children placed outside the New York City school district. Finally, funds for blind and deaf students' instruction flow through this U/A.

Chart 18: UAs 472 - Contract Schools, Carter Cases, Foster Care and Blind & Deaf*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Spending						
Other Than Personal Services Contracts						
In State Contract Schools	\$264,741	\$286,661	\$285,253	\$285,253	\$298,123	\$12,870
Out of State Contract Schools	28,622	30,133	32,700	32,700	32,700	0
Carter Cases	222,213	234,445	217,228	217,228	229,228	12,000
Foster Care	22,424	18,695	40,805	40,805	40,805	0
Blind & Deaf Schools	53,756	53,139	59,000	59,000	59,000	0
Other	19,697	18,541	17,509	17,509	17,509	0
TOTAL	\$611,452	\$641,613	\$652,496	\$652,496	\$677,366	\$24,870

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

Chart 18 provides further insight into U/A 472. The Fiscal 2017 Preliminary Budget is \$677.4 million, an increase of \$24.9 million when compared to the Fiscal 2016 Adopted Budget. The increase in funding results from the combination of a \$12.9 million increase in funding for in-state contract schools and a \$12 million increase in funding for Carter cases.

Special Education Pre-Kindergarten

The DOE 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 the DOE. The DOE also provides door-to-door bus transportation for these children.

Chart 19: UAs 470 - Special Education Pre-Kindergarten*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Spending						
Other Than Personal Services Contracts						
Tuition	\$441,145	\$463,649	\$484,178	\$484,178	\$523,183	\$39,004
Professional Direct Education Services	300,295	295,349	307,439	246,532	212,770	(94,669)
Pupil Transportation	83,370	85,401	118,245	118,245	118,245	0
TOTAL	\$824,810	\$844,399	\$909,862	\$848,955	\$854,198	(\$55,664)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

As demonstrated in Chart 19, Special Education Pre-Kindergarten is comprised of three service areas: tuition, professional direct education services, and transportation. Tuition is the largest spending area and would total \$523.2 million in Fiscal 2017. Professional services are projected to be \$212.8 million and \$118.2 million would be allocated to pupil transportation.

Overall, there is a net decrease in spending for special education pre-kindergarten when comparing the Fiscal 2017 Preliminary Budget to the Fiscal 2016 Adopted Budget. The \$39 million increase in tuition is offset by a \$94.7 million decrease on professional services. The decrease would not actually result in a loss in special education pre-kindergarten services, but in fact is due to a re-estimate by OMB, which reduces the baseline by \$76 million.

Pupil Transportation

Funding budgeted in U/A 438 supports the safe, reliable and efficient transportation service for the students of New York City. Over 600,000 public and non-public school students take advantage of DOE-provided transportation services each school day. Services include mandated door-to-door bus transportation for special education students and stop-to-school yellow bus transportation for qualifying elementary school students. Older students receive free or half-fare passes for public bus and train lines, which include New York City Transit (MTA) and Staten Island Rapid Transit (SIRT). Funding included in U/A 438 does not include all of the DOE's spending on student transportation. For example, additional student transportation services are budgeted in U/A 470, Special Education Pre-Kindergarten. Administrative costs associated with transportation, including the Office of Pupil Transportation, are budgeted in the Central Administration program area, U/As 453 and 454. Spending for pupil transportation is a large part of the DOE's budget, comprising four percent of the proposed Fiscal 2017 Preliminary Plan.

Chart 20: UA 438 - Pupil Transportation

Dollars in Thousands

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 – 2017
				2016	2017	
Spending						
Other Than Personal Services Contracts						
Special Education Buses	\$735,787	\$713,629	\$756,873	\$777,406	\$781,564	\$24,690
General Education Buses	287,449	314,458	316,683	316,335	316,494	(189)
MTA Subsidy	45,000	90,000	45,000	45,000	0	(45,000)
SIRT Subsidy	966	907	1,723	1,723	1,723	0
Other	29,646	24,845	26,176	17,107	26,176	0
TOTAL	\$1,098,848	\$1,143,838	\$1,146,456	\$1,157,571	\$1,125,957	(\$20,498)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

As shown in Chart 20, the pupil transportation budget would decrease by \$20.5 million for a total budget of \$1.1 billion in Fiscal 2017. There are several reasons why this occurs, including adjustments in State and federal funding. Overall, Special Education buses have an increase of \$24.7 million, which is offset by a decrease in General Education Buses. The MTA subsidy is a cost savings for the Department, as they have been able to pre-pay the MTA for MetroCards in Fiscal 2015 and 2016. The DOE was able to pre-pay the MTA in those fiscal years due to reimbursements from FEMA and other state adjustments to the busing budget.

Navman Expansion is a new need funded under U/A 430. The DOE proposed \$2.1 million for a pilot program which would outfit some buses with a tracking device so that parents would have the ability to track their child's school bus with GPS technology.

School Food Services

The Department's Office of School Food runs DOE's breakfast and lunch programs and is supported with funding allocated to U/As 439 and 440. According to the DOE, school food works to promote healthy food choices by students and maintains 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 based on federal income eligibility guidelines. However, some middle schools now have universal free lunch, which is described in more detail below. School lunch is supported by the federal government. Students whose families' incomes exceed the federal cut-off may purchase lunch for \$1.75. Menus for lunch and breakfast are posted in all schools, and are available on-line at <http://www.opt-osfns.org/OSFNS/resources/SFMenuSystem/public1/default.aspx>.

Chart 21: UAs 439 & 440 - School Food*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$0	\$259	\$0	\$0	\$0	\$0
Full-Time Salaried - Non-Pedagogical	64,695	66,572	70,124	70,124	72,010	1,885
Other Salaried & Unsalaries	120,078	131,135	139,289	139,333	148,709	9,420
PS Other	11,531	16,995	2,255	2,255	2,255	0
Subtotal	\$196,304	\$214,962	\$211,668	\$211,712	\$222,974	\$11,306
Other Than Personal Services						
Contractual Services	\$16,344	\$18,167	\$11,918	\$11,918	\$11,925	\$7
Professional Services	4,596	4,665	4,228	4,228	4,548	320
Fixed, Misc & Other Charges	4,443	5,527	7,564	7,489	7,564	0
Property & Equipment	5,740	5,173	3,370	15,566	10,531	7,161
Supplies & Materials	184,626	198,084	247,242	232,923	260,540	13,298
Subtotal	\$215,750	\$231,615	\$274,321	\$272,124	\$295,108	\$20,787
TOTAL	\$412,054	\$446,577	\$485,989	\$483,836	\$518,082	\$32,092
Positions						
Full-Time Positions - Non-Pedagogical	1,760	1,725	1,700	1,700	1,700	0
TOTAL	1,760	1,725	1,700	1,700	1,700	0

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

Spending for school food services is projected to total \$518.1 million in Fiscal 2017, which is a \$32.1 million increase when compared to the Fiscal 2016 Adopted Budget. Chart 21 above shows the growth is split between \$223 million for PS and \$295.1 million for OTPS in U/As 439 & 440.

This is the second school year with universal free lunch in stand-alone middle schools in New York City. As a result of expanded free lunch, middle school student participation in the lunch program increased by almost ten percent in the first six months of the 2014-2015 school year when this program was first implemented, when compared to the same period the previous year.⁷ Due to the success of the first year of universal free lunch, the Council requested that the Administration expand this program and provide universal free lunch for all students, however the Administration was not supportive of this and instead began

⁷Building on Success of Universal Free Lunch in Middle Schools: Mayor de Blasio Should Fund Expansion to All New York City Public School Student.

http://media.wix.com/ugd/fce5d8_3fac78f8fe6d4af89bb2850b4d2869f5.pdf.

to expand the breakfast in the classroom (BIC) program. DOE has committed to serving breakfast in the classroom in all stand-alone elementary schools, to be phased-in over four years. In schools with BIC the Department has eliminated hot breakfast service in the cafeterias, which had previously been available to all students prior to the start of the regular school day. The Administration has proposed additional funding to expand the BIC program in the Fiscal 2017 Preliminary Plan. Facilities Work for Cafeteria Kitchens is funded under U/A 400 at \$1.6 million to expand BIC to 750 classrooms. The DOE is currently providing BIC in 450 classrooms.

As shown in Chart 22 below, the PMMR for Fiscal 2016 shows that from Fiscal 2013 to 2015 there was a decline in the average number of school lunches served daily, while the number of breakfasts served slightly increased. It is important to note that the PMMR does not provide information on current year trends or any information on the initiative by the Council.

Chart 22: School Meals							
Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Average lunches served daily	625,231	614,698	619,718	*	*	N/A	N/A
Average breakfasts served daily	221,519	224,377	226,572	*	*	N/A	N/A

Source: Fiscal 2016 Preliminary Mayor's Management Report

In order to be more transparent about school food the PMMR and MMR should report on additional metrics and costs associated with school food. For example, the PMMR should be improved to include reports on costs such as average cost per breakfast and average cost per lunch in order to paint a more complete picture of spending associated with providing schools meals. Additionally, the reports should include information to demonstrate how BIC and the universal fee lunch programs are performing.

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.

Chart 23: UAs 453 & 454 - Central Administration*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$4,601	\$6,676	\$7,809	\$7,809	\$8,804	\$995
Full-Time Salaried - Non-Pedagogical	137,864	142,554	149,540	154,211	161,724	12,184
Overtime - Non-Pedagogical	1,030	1,403	1,902	1,902	1,902	0
Additional Gross Pay	4,676	12,644	1,326	1,348	1,345	19
Amounts to be Scheduled	0	0	11,987	11,656	17,118	5,131
Other Salaried & Unsalaries	1,200	876	1,988	1,988	1,829	(158)
PS Other	(355)	(207)	0	0	0	0
Subtotal	\$149,017	\$163,947	\$174,551	\$178,913	\$192,722	\$18,171
Other Than Personal Services						
Contractual Services	\$109,811	\$91,083	\$79,878	\$88,516	\$88,955	\$9,077
OTPS Other	72,150	80,274	84,497	86,605	80,502	(3,995)
Subtotal	\$181,962	\$171,357	\$164,375	\$175,120	\$169,457	\$5,082
TOTAL	\$330,979	\$335,304	\$338,926	\$354,033	\$362,179	\$23,253
Positions						
Full-Time Positions - Pedagogical	39	53	27	27	27	0
Full-Time Positions - Non-Pedagogical	1,828	1,869	1,631	1,741	1,786	155
TOTAL	1,867	1,922	1,658	1,768	1,813	155

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

Spending for Central Administration is projected to increase by \$23.3 million in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget. The projection includes an \$18.2 million increase in PS and \$5.1 million in OTPS, for a total of \$362.2 million in Fiscal 2017. Part of this increase is due to an increase in full-time, non-pedagogical positions by 155: three positions for AP for All; 24 for College Visits and Access; two communications positions; two positions for Data Tracking & Sharing for renewal schools; 35 positions for DIIT Insourcing; six positions for District-Charter Collaboration; 18 positions for additional need in the Division of Contracts; two doctors for renewal schools; 31 positions for operations support; and one Transportation Coordinator for students in temporary housing.

Fringe Benefits

The Department of Education, unlike other City agencies, maintains units of appropriation for fringe benefits, which include social security, health insurance, payments to welfare funds, annuity contributions, workers compensation and unemployment benefits, and a reserve to fund costs associated with collective bargaining agreements.

Chart 24: UA 461 - Fringe Benefits*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services	\$2,837,784	\$2,876,580	\$3,043,660	\$3,054,014	\$3,237,539	\$193,879
TOTAL	\$2,837,784	\$2,876,580	\$3,043,660	\$3,054,014	\$3,237,539	\$193,879

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The Fringe Benefits total budget is \$3.2 billion in Fiscal 2017, an increase of \$193.9 million when compared to the Fiscal 2016 Adopted Budget. Fringe benefits constitute 13 percent of DOE's total budget for Fiscal 2017.

School Facilities

School Facilities is comprised of U/As 435 and 436. Funding for this program area supports the DOE's building maintenance and custodial operations. The Division of School Facilities also completes some capital projects that are funded by the School Construction Authority.

Chart 25 : UAs 435 & 436 - School Facilities						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference 2016 - 2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Non-Pedagogical	\$50,161	\$51,603	\$57,903	\$60,212	\$59,785	\$1,881
Unsalaries	334,925	372,476	384,705	381,083	400,807	16,102
Additional Gross Pay	3,593	5,559	214	214	214	0
Overtime	3,566	4,476	2,012	2,107	1,978	(34)
Fringe Benefits	1,300	(177)	182	182	0	(182)
Subtotal	\$393,546	\$433,937	\$445,017	\$443,799	\$462,785	\$17,768
Other Than Personal Services						
Total Contractual Services	\$212,376	\$263,389	\$261,511	\$322,524	\$241,821	(\$19,690)
Judgments & Claims	0	391	0	0	0	0
Supplies & Materials	23,602	25,808	29,859	29,605	30,177	319
Property & Equipment	560	648	463	486	463	0
Other	161,791	146,057	13,317	14,034	7,371	(5,946)
Subtotal	\$398,329	\$436,292	\$305,149	\$366,649	\$279,832	(\$25,317)
TOTAL	\$791,875	\$870,229	\$750,166	\$810,448	\$742,617	(\$7,549)
Positions						
Full-Time Positions - Non-Pedagogical	626	614	644	650	644	0
TOTAL	626	614	644	650	644	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Funding for improvements to school cafeterias is budgeted under U/A 436. The DOE has included \$1.6 million for Fiscal 2017 in order to improve a total of 450 cafeterias. The remainder of funding included for facilities work for cafeterias is budgeted under U/A 440 School Food Services. The DOE has also included funding for UPK sites in U/A 435 by proposing \$1.6 million to fund custodial services in stand-alone UPK centers.

Energy and Leases

Funding for heat, light, power, and fuel oil, as well as leases is scheduled in U/A 444. As you can see in the chart below, there are minimal changes proposed for this area between the Fiscal 2016 Adopted Budget and the Fiscal 2017 Preliminary Budget with a total increase of \$12,000.

Chart 26: UAs 444 - Energy & Leases*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Spending						
Other Than Personal Services						
Leases	\$171,521	\$182,719	\$201,764	\$201,764	\$201,764	\$0
Heat, Light, Power & Fuel Oil	342,659	285,381	298,303	298,303	298,315	12
Other	0	0	(2,000)	(2,000)	(2,000)	0
TOTAL	\$514,180	\$468,100	\$498,066	\$498,066	\$498,079	\$12

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

School Safety

The Department of Education pays the New York Police Department (NYPD) via an intra-city payment to provide security services at all public schools. The security personnel who work in the schools are employees of the NYPD, not the DOE. A Memorandum of Understanding between the two departments outlines the NYPD's role in securing the schools.

Chart 27: UA 442 - School Safety*Dollars in Thousands*

	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
OTPS Contract	\$309,676	\$330,581	\$335,714	\$335,785	\$347,044	\$11,330
TOTAL	\$309,676	\$330,581	\$335,714	\$335,785	\$347,044	\$11,330

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Funding for School Safety is \$347 million in the Fiscal 2017 Preliminary Plan, an increase of \$11.3 million from the Fiscal 2016 Adopted Budget. A total of \$249.3 million goes directly to the NYPD through an intra-city payment. Part of this increase to the NYPD is to fund a new need, Think Kids, which is de-escalation training for school safety agents. The Fiscal 2017 Preliminary Plan reflects \$71,000 in intra-city funds from DOE in the Fiscal 2016 PS budget and \$82,000 in Fiscal 2017 PS budget to fund this training program. The NYPD currently has a budget for 5,147 school safety agents.

Chart 28: School Safety Headcount in NYPD						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary		*Difference 2016-2017
				2016	2017	
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$177,475	\$190,891	\$193,659	\$193,670	\$199,558	\$5,899
Overtime - Civilian	40,628	44,831	38,466	38,465	38,476	9
Full-Time Salaried - Uniformed	17,472	17,767	16,712	16,904	17,052	340
Additional Gross Pay	8,090	12,773	5,024	5,024	5,024	0
Fringe Benefits	3,530	3,606	3,251	3,251	3,251	0
Unsalaries	80	122	590	590	594	4
Overtime - Uniformed	2,776	3,543	370	370	370	0
Subtotal	\$250,050	\$273,533	\$258,072	\$258,273	\$264,326	\$6,253
Other Than Personal Services						
Property & Equipment	\$3,171	\$3,779	\$3,200	\$3,120	\$3,200	\$0
Other Services & Charges	380	360	708	780	708	0
Contractual Services	420	377	620	713	693	73
Supplies & Materials	545	220	376	361	376	0
Fixed & Misc. Charges	3	0	0	3	0	0
Subtotal	\$4,519	\$4,736	\$4,904	\$4,976	\$4,976	\$73
TOTAL	\$254,569	\$278,268	\$262,976	\$263,249	\$269,302	\$6,326
Funding						
City Funds			\$19,593	\$19,795	\$19,997	\$405
Intra City			243,383	243,454	249,305	5,921
TOTAL	\$254,569	\$278,268	\$262,976	\$263,249	\$269,302	\$6,326
Budgeted Headcount						
Full-Time Positions - Civilian	4,903	4,982	5,147	5,147	5,147	0
Full-Time Positions - Uniform	203	176	278	278	278	0
TOTAL	5,106	5,158	5,425	5,425	5,425	0

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The mission of the School Safety Division in the NYPD is to provide a safe environment, conducive to learning, where students and faculty can be free from hostility and disruptions which could negatively impact on the educational process.

Chart 29: School Safety Measures							
Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
School safety - Seven Major Crimes	699	654	614	N/A	N/A	153	128
Other criminal	2,626	2,485	2,286	N/A	N/A	602	379
Other	4,350	3,811	3,975	N/A	N/A	883	743

Source: Fiscal 2016 Preliminary Mayor's Management Report

Data from the Fiscal 2016 PMMR shows criminal activity in schools has been trending downward since Fiscal 2013.

Non-Public School and FIT

The DOE passes state aid for textbooks, library books, data processing supplies, and other school supplies to non-public schools. The DOE also provides support for the Fashion Institute of Technology (FIT). Of the \$64.6 million budgeted in U/A 474, \$45.4 million supports FIT. The DOE does not control the amount of funding budgeted in U/A 474, as all of the allocations are formulaic pass-throughs required by the State.

Chart 30: UA 474 - Non-Public Schools						
<i>Dollars in Thousands</i>						
	Actual 2014	Actual 2015	Adopted 2016	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Spending						
Other Than Personal Services						
Fashion Institute of Technology	\$45,374	\$45,604	\$45,746	\$45,746	\$45,374	(\$373)
Other Services & Charges	0	0	0	519	0	0
Property & Equipment	22,645	18,002	17,424	17,424	15,296	(2,128)
Supplies & Materials	2,154	1,481	3,520	3,520	3,891	371
TOTAL	\$70,173	\$65,086	\$66,691	\$67,209	\$64,560	(\$2,130)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The projected budget for Non-Public Schools and FIT remains relatively unchanged between the Fiscal 2016 Adopted Budget and the Fiscal 2017 Preliminary Budget.

Appendix A: Miscellaneous Revenue

The Department of Education plans to collect approximately \$56 million from various miscellaneous revenue sources in Fiscal 2017. DOE receives funding from school lunch fees, after school usage of DOE buildings, and other refunds.

DOE Miscellaneous Revenue Budget Overview				
<i>Dollars in Thousands</i>				
Revenue Sources	2016	Preliminary Plan		*Difference
	Adopted	2016	2017	2016 - 2017
Educational Service Fees (School Lunch)	\$12,750	\$12,750	\$12,750	\$0
Grant Refunds	8,174	8,174	8,174	0
Rental (Extended use of School Buildings)	28,000	28,000	28,000	0
Sundries (UFT Fees, Misc. Coll/refunds)	7,000	7,000	7,000	0
TOTAL	\$55,924	\$55,924	\$55,924	\$0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Sources: New York City Department of Education, "September 2015 FSR Report" & New York City Office of Management and Budget, "Monitor's Briefing Package", FY17 January Plan.

Appendix B: Budget Actions Since Fiscal Year 2016 Adopted Budget

DOE Budget Actions Since Fiscal 2016 Adopted Budget

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2016 Budget	\$10,278,171	\$11,631,537	\$21,909,708	\$10,756,867	\$11,955,256	\$22,712,123
New Needs						
6th Period Coverage	\$0	\$0	\$0	\$0	\$1,870	\$1,870
ADA Compliance	473	0	473	1,452	0	1,452
Algebra for All	800	0	800	20,751	0	20,751
AP for All	1,298	0	1,298	12,554		12,554
Assistive Technology	1,257	0	1,257	1,257		1,257
Attorneys - OSI	646	0	646	654		654
ATU Settlement	9,070	0	9,070	0		0
Boiler Regulation Staffing	165	0	165	298		298
Chancellor's Parent Conferences	108	0	108	109		109
College Visits and Access	761	0	761	8,786		8,786
Communications	1,339	0	1,339	1,341		1,341
Data Tracking & Sharing for Renewal Schools	2,492	0	2,492	378		378
DIIT Identity Management	422	0	422	422		422
District-Charter Collaboration	974	0	974	2,974		2,974
Division of Contracts Additional Need	2,000	0	2,000	2,500		2,500
Doctors in Renewal Schools	798	0	798	1,084		1,084
Enterprise Messaging	397	0	397	360		360
Facilitates Work for Cafeteria Kitchens	1,206	0	1,206	3,217		3,217
Fair Student Funding	0	0	0	0	158,739	158,739
Family English Initiative	37	0	37	0		0
Fuel Tank Compliance	71	0	71	127		127
Legionella Compliance	454	0	454	898		898
Mental Health Services for 100 High Needs High Schools	0	0	0	6,200		6,200
Mental Health Trainings	4	0	4	80		80
Navman Expansion	1,426	0	1,426	2,058		2,058
Operations Support	765	0	765	3,445		3,445
Parent Coordinator PD	135	0	135	135		135
Renewal Professional Development	1,565	0	1,565	1,573		1,573
Restorative Practices for D18 & Warning Card Schools	330	0	330	862		862
Restorative Practices Internal Capacity Building	0	0	0	577		577
Safe & Supportive Opportunity Program Expanded	0	0	0	5,388		5,388
SEMS	1,500	0	1,500	1,750		1,750
Single Shepherd	500	0	500	15,190		15,190
Social Emotional Learning for UPK	0	0	0	8,110		8,110
Specialized HS Testing	68	0	68	70		70
Speech Clinic	500	0	500	500		500
TEMCO & ABM Settlement	26,306	0	26,306	0		0
Therapeutic Crisis Intervention for Schools	0	0	0	88		88
Think Kids - School Safety Agent Training	71	0	71	82		82
Town Halls	45	0	45	38		38
Transition Coordination Centers (TCC)	4,445	0	4,445	5,582		5,582
Translation & Interpretation	2,261	0	2,261	2,261		2,261
Transportation Coordinator for Students in Temporary Housing	60	0	60	84		84
Universal Literacy	1,375	0	1,375	16,404		16,404
UPK Sites - Custodial Services	1,553	0	1,553	1,553		1,553
UPK Sites - Nurses	534	0	534	558		558
YMI Cap Adjustment	0	0	0	630		630
Subtotal, New Needs	\$68,213	\$0	\$68,213	\$132,380	\$160,609	\$292,989
Other Adjustments						
City Council Member Items Reallocation	(\$19)		(\$19)	\$0		\$0
Collective Bargaining (IC), Maintenance Workers L237	6		6	7		7
Demand Response		154	154	0		0
Efficiency Savings	0	0	0	(5,000)		(5,000)

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
FEMA Hazard Mitigation Project	\$250	\$750	\$1,000	\$0		\$0
Forecast Re-estimates	(26,190)	(34,717)	(60,907)	(32,821)	(43,507)	(76,328)
FR 6622-686 to 40X		9	9	0		0
FY16 Furniture Purchase DOE		108	108	0		0
Maintenance Workers - L237 Settlement	35		35	41		41
Non-efficiency Savings	(50,052)	50,052	0	(45,000)		(45,000)
NYC Service Initiative	15		15	0		0
plaNyC ExCel Program - FIT		519	519	0		0
RCM Projects - DOE		8,795	8,795	0		0
Roofers - L237 Settlement	131		131	149		149
School Facilities		18,460	18,460	0		0
UPK Revenue Re-estimates		2,906	2,906	0		0
Subtotal, Other Adjustments	(\$75,824)	\$47,036	(\$28,788)	(\$82,624)	(\$43,507)	(\$126,131)
TOTAL, All Changes	(\$7,611)	\$47,036	\$39,425	\$49,756	\$117,102	\$166,858
November Adjustments	\$1,874	\$21,495	\$23,369	\$2,202	\$0	\$2,202
Agency Budget as of the Preliminary 2017 Budget	\$10,272,434	\$11,700,068	\$21,972,500	\$10,808,825	\$12,072,358	\$22,881,182

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