



Legislation Text

File #: Res 0283-2022, **Version:** A

Proposed Res. No. 283-A

Resolution calling on the Mayor and the Chancellor of the Department of Education (DOE) to immediately reverse the DOE's reductions to school budgets; calling on the Chancellor to submit updated school budgets to the Panel for Educational Policy reflecting the restoration, as well as an accounting of unspent federal stimulus funds; and calling on the Mayor to promptly utilize any unspent and unallocated federal stimulus or other funds and submit a budget modification to the Council to fully restore the \$469 million removed from school budgets by DOE.

By The Speaker (Council Member Adams) and Council Members Ayala, Powers, Brannan, Salamanca, Brooks-Powers, Brewer, Joseph, De La Rosa, Farías, Abreu, Hanif, Schulman, Dinowitz, Restler, Narcisse, Sanchez, Nurse, Won, Krishnan, Stevens, Avilés, Ossé, Hudson, Williams, Cabán, Menin, Marte, Ung, Lee, Bottcher, Kagan, Rivera, Barron, Feliz and Gutiérrez

Whereas, The NYC Department of Education (DOE) is the entity that determines and allocates school budgets based on its formulas, which the Panel for Educational Policy approves; and

Whereas, Under State Education Law and the New York City Charter, the Chancellor is responsible for preparing estimates of DOE's budget needs to be used in the preliminary and executive expense budgets, and preparing the budgets for individual schools; and

Whereas, On February 16, 2022, Mayor Eric Adams issued his Preliminary Fiscal Year 2023 Expense Budget, which included a \$374.6 million reduction to the DOE budget based on "enrollment changes" with an impact of decreasing headcount by 3,227 positions, which was partially offset by the use of \$160 million in federal stimulus funds to restore 1,778 positions resulting in a \$215 million funding and 1,449 headcount reduction; and

Whereas, On May 6, 2022, the Mayor issued his Executive Fiscal Year 2023 Expense Budget, which contained the same \$374.6 million reduction to the DOE budget based on "enrollment changes" with an impact of decreasing headcount by 3,227 positions, which was partially offset by the use of \$160 million in federal

stimulus funds to restore 1,778 positions resulting in a \$215 million and 1,449 headcount reduction; and

Whereas, According to the DOE and Office of Management and Budget (OMB), this \$215 million gap consisted of a reduction of \$131.5 million from school budgets and an accompanying \$83.1 million in fringe costs from the central DOE budget; and

Whereas, In budget documents and statements, Mayor Adams' Administration (the administration), including DOE and OMB, indicated that Programs to Eliminate the Gap (PEGs) would result from eliminating vacancies; and

Whereas, During the budget process, the administration represented that the \$215 million reduction (\$131.5 million to school budgets and \$83.1 million to DOE central for fringe costs) was due to the elimination of 1,449 vacant positions (its initial 3,227 headcount reduction minus the 1,778 headcount restoration), bringing the DOE's budgeted headcount closer to its actual headcount; and

Whereas, This \$131.5 million reduction, when divided by the 1,449 vacant positions that were indicated as constituting the savings, equals an average salary close to the pay level for a senior teacher of \$91,000; this was sufficient to fund the entire reduction of \$131.5 million without the need to lay off any existing teacher or eliminate any program; and

Whereas, On June 13, 2022 the Council adopted the Fiscal Year 2023 Expense Budget (FY23 Budget); and

Whereas, Various data sets on individual school budgets that DOE has released, as early as June and as recently as mid-July, show the agency has reduced school budgets by nearly three times more than the \$131.5 million in the city budget, equaling more than \$360 million for all schools; and

Whereas, These data sets further demonstrate that DOE's reductions to school budgets for those schools with decreases to their Fair Student Funding (FSF) allocations total \$469 million; and

Whereas, These school budget reductions have gone far beyond the elimination of vacancies within the city budget to impact existing teachers and programming in schools; and

Whereas, FSF makes up over 60 percent of the initial allocations made directly to schools, and represents flexible funding that is only mirrored in flexibility by a limited number of other streams of funding for school budgets, known as School Allocation Memoranda (SAMs); and

Whereas, The FSF formula maintains inequities and the DOE has agreed that it must be reviewed and revised for next fiscal year; and

Whereas, Essential DOE data that helps determine school budgets and represents available funds within the agency remains inaccessible to the public; and

Whereas, Any reductions to school budgets that have occurred due to DOE's allocation and administration of individual school budgets beyond the city budget are within the purview and control of the DOE; and

Whereas, DOE's Fiscal Year 2023 budget totals over \$37.0 billion, its largest single Unit of Appropriation (U/A) is nearly \$7.1 billion, and the agency distributes individual school budgets through at least six U/As giving DOE significant flexibility to address needs; and

Whereas, Pursuant to sections 106 and 107 of the New York City Charter, changes to the city budget are enacted by budget modifications that are initiated by and can occur at the direction of the Mayor at any time to be acted upon by the Council; and

Whereas, DOE can act now to eliminate the school budget reductions and their adverse impacts by: (1) covering any shortfall at least until a budget modification can be negotiated; (2) directing funds to those schools facing reductions; and (3) providing transparency in its school budgeting processes to ensure that its funding mechanisms and formulas and their impacts on school budgets are clear; now, therefore, be it

Resolved, That the Council of the City of New York calls on the Mayor and the Chancellor of the Department of Education (DOE) to immediately reverse the DOE's reductions to school budgets; calls on the Chancellor to submit updated school budgets to the Panel for Educational Policy reflecting the restoration, as well as an accounting of unspent federal stimulus funds; and calls on the Mayor to promptly utilize any unspent

and unallocated federal stimulus or other funds and submit a budget modification to the Council that fully restores the \$469 million removed from schools by the DOE.

LS #10329
9/1/22