

COMMUNITY EDUCATION COUNCILS

New York City Independent Budget Office
Spring 2024



New York City
Independent Budget Office
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Agenda

1. What is IBO?
2. Introduction to NYC's education budget
3. Walkthrough of a school budget
4. Additional Questions

What is IBO?

Role of the Independent Budget Office



Nonpartisan city agency providing data driven fiscal and policy insights into how New York City's government and services operate.

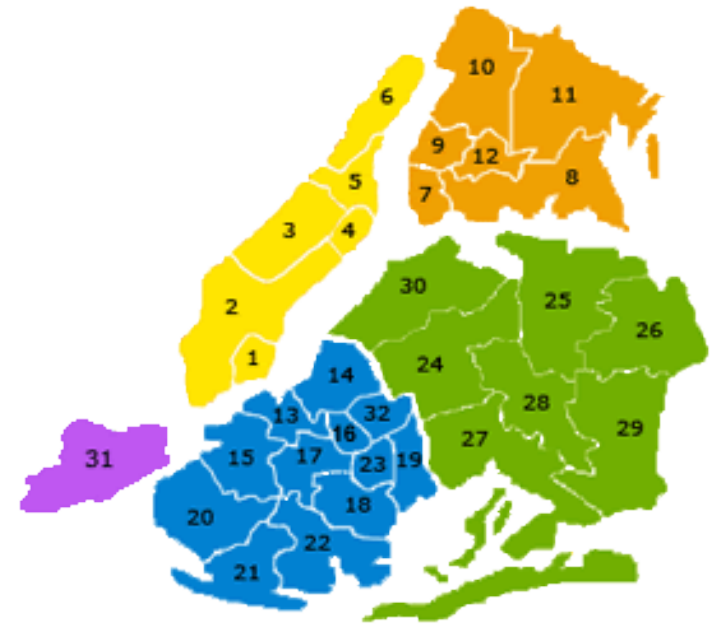


IBO provides mandated reports in alignment with major budget actions and answers questions from elected officials and the public.

Mayoral Control of Schools and Need for Oversight

2002: New York State law abolishes 32 local school boards and mayoral control begins.

2009: Call for IBO to provide independent analysis.



Source: TeachNYC.

What does the IBO Education team do?

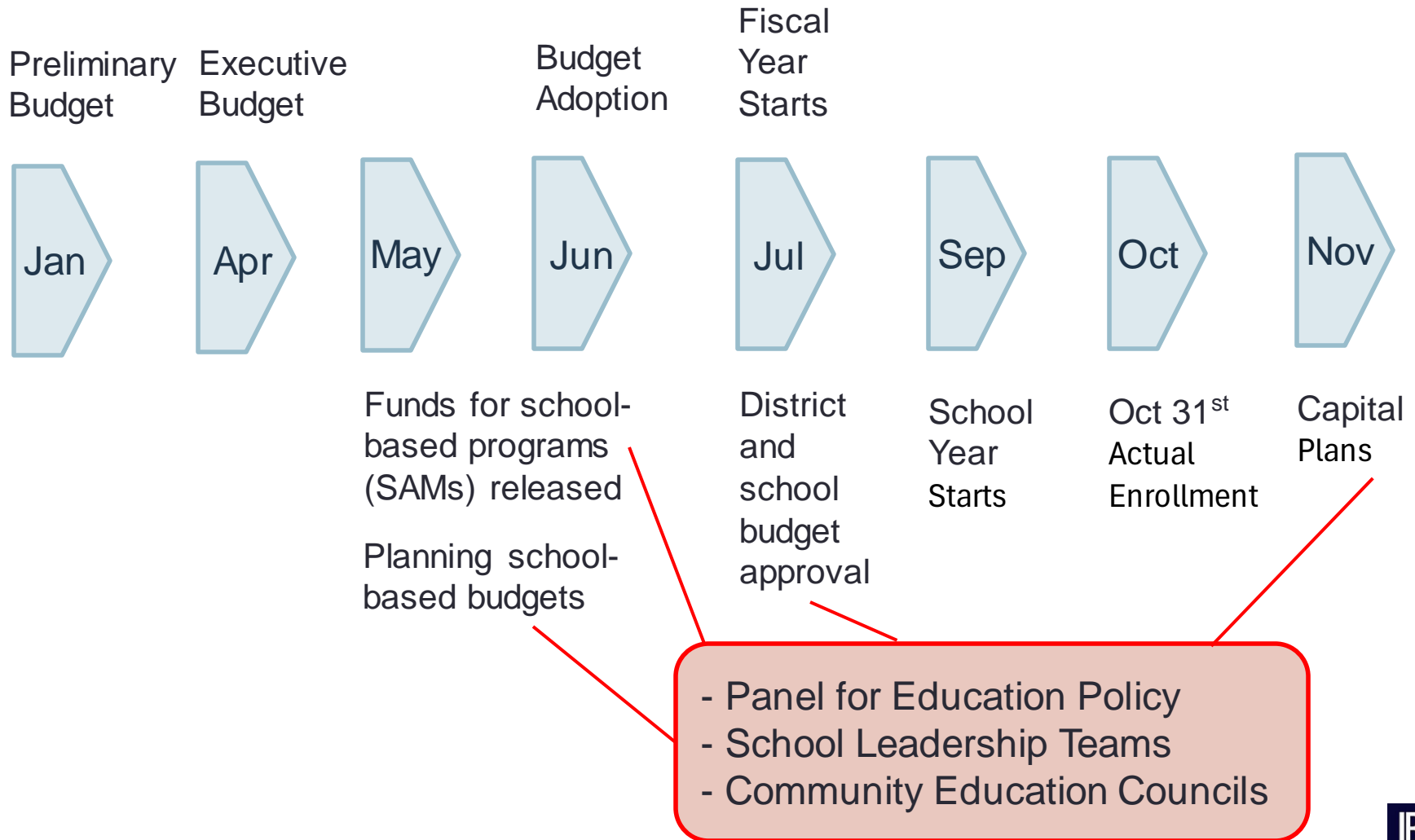
- Evaluation of the City's annual budget
- Research on NYC's students, teachers, and schools

Recent topics include...

- [Teacher retention](#) and the [number of bilingual teachers](#) in NYC schools
- The [costs of NY State's class size law](#)
- NYC DOE [programs at risk](#) when federal Covid-era stimulus funds expire
- The [history of funding for 3-K expansion](#)

Introduction to NYC's Education Budget

Major Annual Budget Events

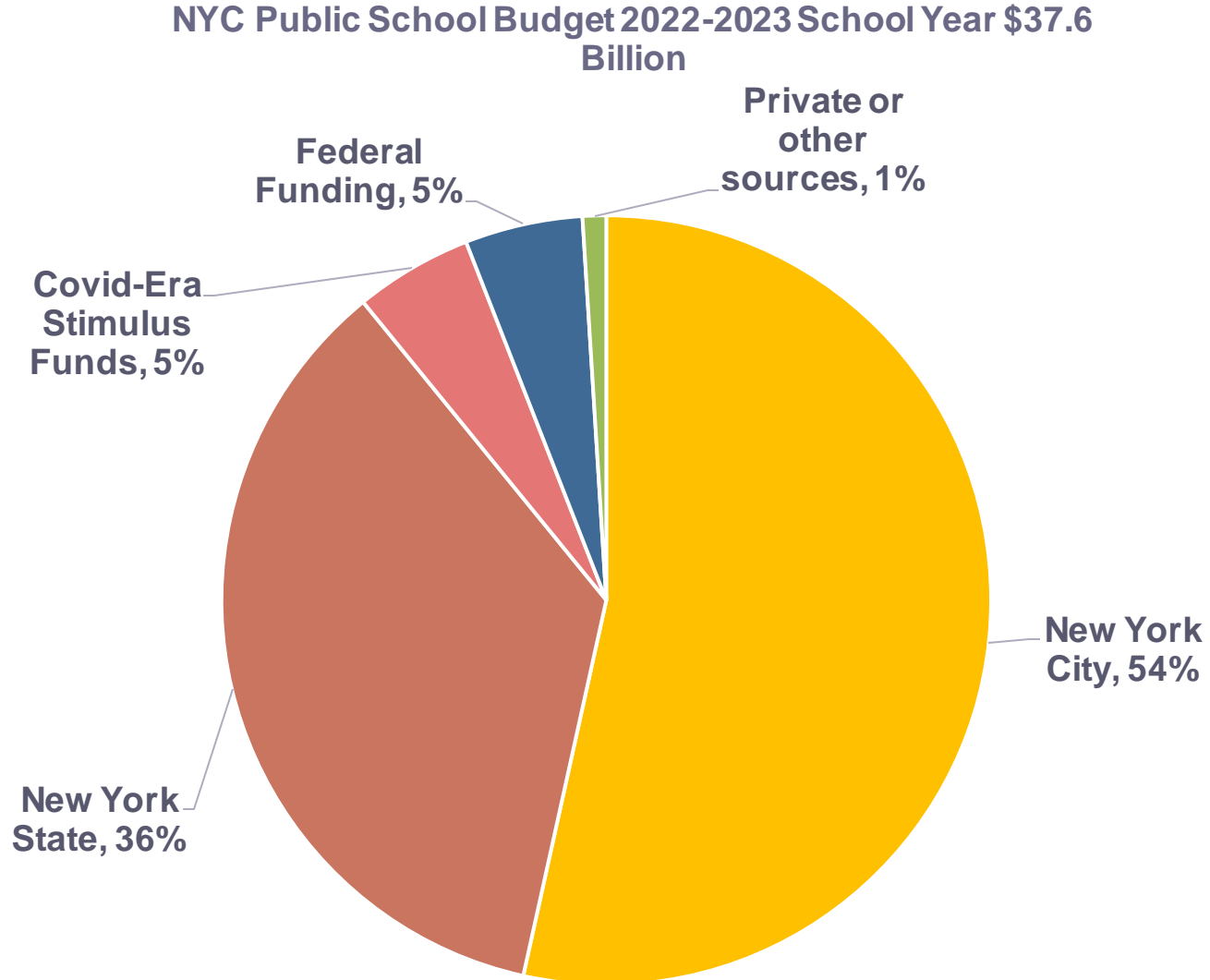


How Are Schools Funded?

Generally, City funding for schools comes from income and corporate taxes, property taxes, and sales taxes.

The NYC Public Schools budget for the 2022–2023 school year (Fiscal Year 2023) is \$37.6 Billion.

Source: [NYC Schools](#).



Funding Sources for NYC Public Schools

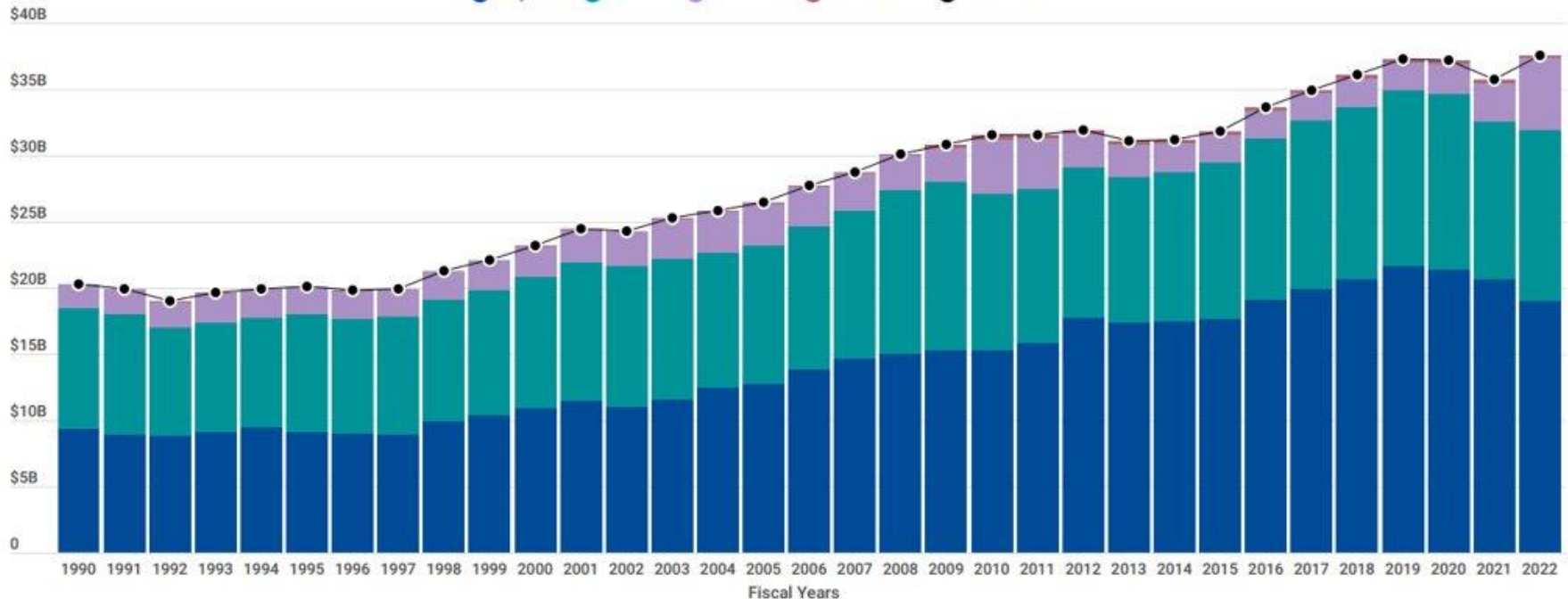
Department of Education Spending Since 1990

All Sources of Funds Committed to DOE

Includes Funding for Debt Service and Pensions

In 2022 dollars

● City Funds ● State Aid ● Federal Aid ● Private Funds ● Total for All Sources



In 2022, the second full year of the pandemic, total DOE funding increased by \$1.9 billion, with an increase in federal and state funding more than offsetting a decrease in city funding.

Source: [NYC Independent Budget Office](#)

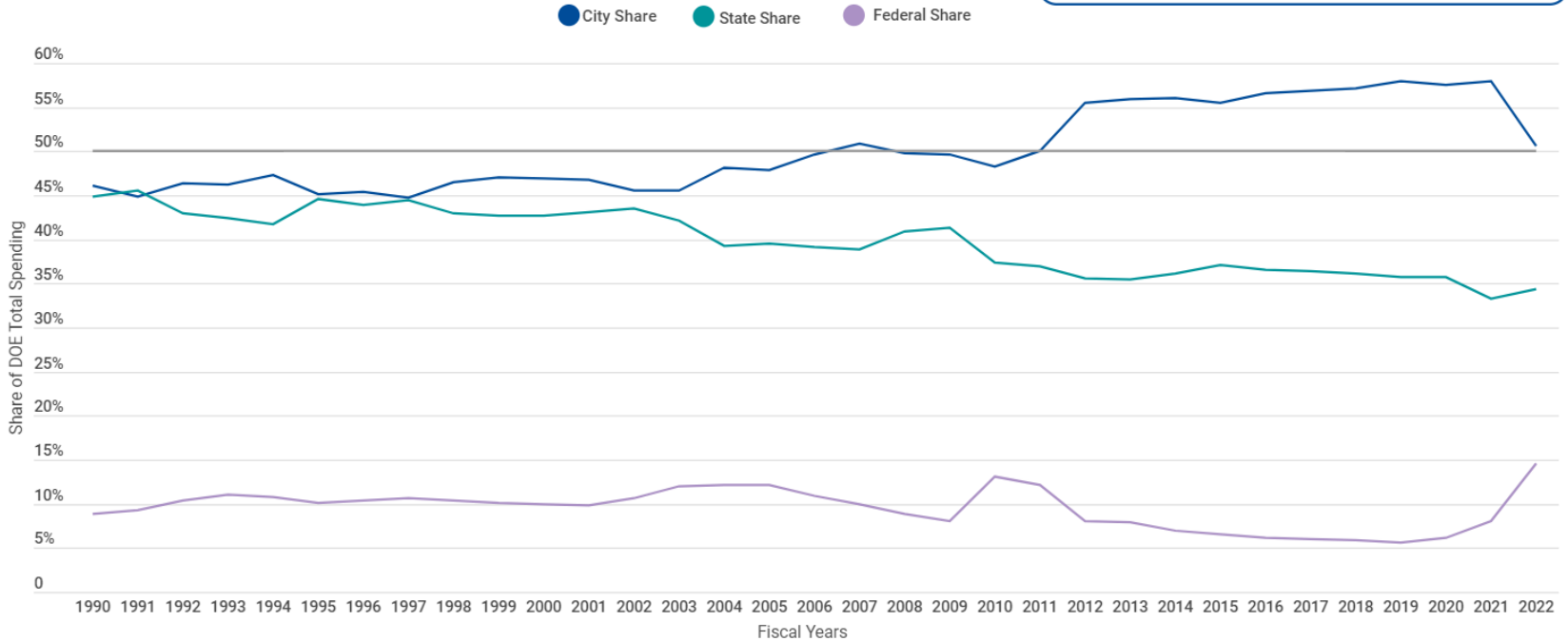
Funding Sources for NYC Public Schools

Department of Education Spending Since 1990

City, State, and Federal Shares of Total Spending*

Includes Funding for Debt Service and Pensions

City funds fell to just over 50 percent of total spending as the state's share of ticked up and the federal share nearly doubled from 2021 due to federal Covid-19 relief funds.



Source: [NYC Independent Budget Office](#)

School Budgets

In traditional public schools in districts 1 through 32...

For most schools, the majority of funding comes from Fair Student Funding (FSF).

- Unrestricted funds: principals decide how to use them, with input from School Leadership Team (SLT).
- Often used for school staffing.
- Based on a weighted pupil-funding model.

Other funding comes from categorical grant funds, and for specific programs and initiatives.

- Remaining funds are usually restricted; these funds often can only be used for specific types of spending.

In District 75 & 79:

Schools receive funding from the Department of Education, outside of the Fair Student Funding formula.

Fair Student Funding (FSF)

A funding model that considers the enrollment number of students at each school and adds additional “weights” based on the needs of those students.

Categories for weights include:

- Academic Intervention
- Special Education
- English Language Learners
- Portfolio High Schools
- Students in Temporary Housing; Concentration Need (*new this school year*)

Student A	
Grade 3	1
Well Below Standards	0.40
ELL - Bilingual K-5	0.44
Total weights	1.84

Student B	
Grade 7	1.08
Less Inclusive $\geq 60\%$	1.18
Student in Temporary Housing	0.12
Total weights	2.38

Student C	
Grade 12	1.03
Below Standards 9-12	0.25
Concentration Need Tier 1	0.04
Total weights	1.38

Schools receive funding based on their weighted enrollment, not their actual enrollment.

Categorical Grant Funds and DOE Programs

Categorical Grant Funding

- For example, from New York State:
 - New York State Textbook Law (NYSTL)
 - Library, Hardware and Computer Software (NYSSL)
- For example, from the federal government:
 - Title I School Allocation
 - Title III Limited English Proficient (LEP) Program

DOE Programs: School Allocation Memoranda

- Can change year to year.
- Examples from this school year include:
 - Project Pivot Initiative – issued September 2023
 - Advanced Placement for All – issued October 2023
 - Food Education Grant – issued December 2023
 - Increase in Students in Temporary Housing (STH) – issued March 2024

Walkthrough of a School Budget

Live Demonstration



IBO has a series of videos going into specifics on how to find and understand your school's budget.

These videos include specifics on:

[School Budget
Timeline](#)

[Finding your
school's budget](#)

[Funding
Allocations and
Spending Plan](#)

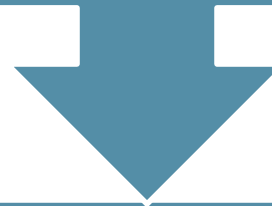
[School
Allocation
Memos \(SAMs\)](#)

[Fair Student
Funding \(FSF\)](#)

Check out our Budget Glossary
available [here!](#)

Live
Demonstration

You can compare your schools' SAMs with those of other schools and districts using an Excel file or PDF files



An Example for FY 2023:

FY 2023 Initial Allocation
Summary by District

THE PRELIMINARY BUDGET

Released January 2024

IBO's analysis of the Mayor's financial plan (released in January)

Over 2024 to 2028, IBO estimates \$4.8 billion in additional City funds will be needed for DOE expenditures, including:

- **Programs Funded With Federal Covid-19 Aid:** With the expiration of federal Covid-19 aid, IBO estimates the City will need to include an additional \$655 million annually from 2026 through 2028 to fund existing programs that are expected to continue, such as preschool special education, mental health supports, and contracted nurses.
- **Summer Rising:** A summer program for academic and social-emotional support, as well as recreational activities. The City added \$80 million to the Summer Rising budget for 2025 to cover the shortfall of expiring federal Covid-era funds; that gap remains, however, in subsequent years.
- **State Class Size Law:** To comply with the state class size law, IBO continues to estimate additional funding for teachers will be needed: \$214 million in 2026, \$427 million in 2027, and \$427 million in 2028). The [class size law](#), passed in 2022, limits the number of students per classroom in New York City and prioritizes schools serving populations with higher-poverty levels (see IBO's previous [report](#) for more details).

IBO analysis of budget reductions from the Mayor's Program to Eliminate the Gap (PEG)

In January 2024:

- The budget for **Early Childhood Education** was reduced. Reductions occurred within the pre-K/3-K budget and the subsidized childcare budget (see [IBO's report here](#)).
- The Administration reversed the cut to the **Community Schools** program for 2024, but budget reductions in 2025, 2026, and 2027 remain (see [IBO's analysis of initial cuts here](#)).

In November 2023:

- The budget for **Early Childhood Education** was reduced.
- The **Community Schools** program budget was reduced.
- The DOE's Central Administration eliminated vacant positions (432 positions).

QUESTIONS

What questions do you have?

For example...

- What will happen to programs funded with Covid-era stimulus funds once those funds expire?
- What is the status of “hold harmless” budget policies at the State and City level?
- Will there be another round of budget reductions as part of the Mayor’s Program to Eliminate the Gap (PEG)?
- How will New York City remain in compliance with New York State’s new class size law?

Reach out to us!

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We are available to answer questions about the City's budget process and school policies.

We also publish on education budget and policy topics. Sign up for our publication email list here:

<https://ibo.nyc.ny.us/subscriptions.html>

Important Links

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IBO's Website: [Independent Budget Office \(nyc.ny.us\)](https://www.ibo.nyc.ny.us)



Budget Basics: [Budget Basics - \(nyc.ny.us\)](https://www.ibo.nyc.ny.us/budget-basics)



Education Indicators: [Public School Indicators \(nyc.ny.us\)](https://www.ibo.nyc.ny.us/education-indicators)



School Budgets: [Demystifying School Budgets \(nyc.ny.us\)](https://www.ibo.nyc.ny.us/school-budgets)



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