



Campaign for Fiscal Equity, Inc.

The 2007-08 New York State Education Budget and Reform Act: Education Aid Allocations and the Contracts for Excellence - 2008-09 Update

New York State Allocations: A total statewide increase of \$7 billion over four years (FY2007-08 through FY2010-11) with \$5.5 billion classified as Foundation Aid, the newly created funding stream that combines the many previously discrete funding sources and is based on student need.

- FY2007-08: an increase of \$1.76 billion in State Education Aid for the entire state for total statewide education funding of \$19.64 billion. \$1.1 billion of the increase is classified as a Foundation Aid.
- FY2008-09: an increase of \$1.75 billion in State Education Aid for the entire state for total statewide education funding of \$21.4 billion. \$14.9 billion is classified as Foundation Aid, an increase of \$1.2 billion.

New York City Allocations: Over the four years, the City will receive \$3.2 billion in additional State Aid, with \$2.35 billion classified as Foundation Aid, greatly exceeding the \$1.93 billion ordered as the minimum state contribution over four years by the Court of Appeals. In addition, New York City is required to put in \$2.2 billion over four years, for a combined total increase of \$5.4 billion which closely approximates the \$4.7 to 5.6 billion range ordered by the New York State Appellate Division in 2006.

Contracts for Excellence: Developed to ensure transparency and accountability and that the new funds improve the educational opportunities for high-need low performing schools and students, Contracts for Excellence (Contracts) are required by law for New York City and other low performing school districts across the state. The Contracts must show how the increased Foundation Aid - less inflation and charter school tuition - will be spent. New York City is required to create a citywide Contract for Excellence as well Contracts for each of its 32 Community School Districts.

The breakdown is shown in the following chart:

Contracts for Excellence Funds for New York City	FY 2007-08	FY 2008-09
Total Increase in State Aid to NYC	\$ 710,000,000	\$ 643,333,542
Increase classified as Foundation Aid	\$ 469,752,980	\$ 622,002,562
Less: 3% for Inflation	(\$ 151,900,449)	(\$ 166,226,074)
Less: Charter School Base Tuition	(\$ 60,000,000)	(\$ 70,000,000)*
Amount Subject to the Contracts for Excellence	\$ 257,852,531	\$386,000,000*

*Rounded figures being used pending release of exact figures by the State Education Department and New York City Department of Education.

The Education Act requires that Contract funds be predominately distributed to high need low performing schools and that funds go to support students with the greatest need. Contract funds must supplement, not supplant, previously funded programs and personnel.

In 2007, the Education Act required that the Contracts for Excellence funds be spent within five programmatic areas: 1) Class Size Reduction 2) Increased Time on Task 3) Teacher and Principal Quality Initiatives 4) Middle School or High School Restructuring 5) Full-day Kindergarten or Pre-K. In 2008, a sixth area was added: Model programs for English Language Learners.

NYC 2007-08 Contract for Excellence:

The Contract for Excellence for New York City which was approved for implementation by the State Education Department on 11/19/08 for FY 2007-08 allocated the \$258 Million in Contract funding as follows:

1. Class Size Reduction	\$153 Million	(59%)
2. Increased Time on Task	\$ 48 Million	(19%)
3. Teacher and Principal Quality Initiatives	\$ 40 Million	(16%)
4. Middle School or High School Restructuring	\$ 17 Million	(6%)
5. Full-Day Pre-Kindergarten	\$ 180,000	

NYC 2008-09 Contract for Excellence:

The NYC Department of Education released a preliminary plan for its 2008-09 Contract for Excellence first on May 30, 2008, then on July 23 an updated plan was released. The updated plan proposed spending the \$378.4 million* of the \$386 million in Contract for Excellence funds as follows:

1. Class Size Reduction	\$146.5 Million	(39%)
2. Increased Time on Task	\$107.3 Million	(28%)
3. Teacher and Principal Quality Initiatives	\$ 87.7 Million	(23%)
4. Middle School or High School Restructuring	\$ 18.3 Million	(5%)
5. Full-Day Pre-Kindergarten	\$ 4.9 Million	(1%)
6. Model Programs for ELL's	\$ 13.7 Million	(4%)

* \$7 million was held back on July 23; to date allocation of these funds has not been made public.

The DOE held public hearings on its updated Contract plan on July 29 and 30, 2008, and is accepting public comment through August 23, 2008. More detailed plan information including spreadsheets with school and programmatic allocations as well as performance targets is located at: <http://schools.nyc.gov/AboutUs/BudgetsFairStudentFunding/ContractsforExcellence>