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# IBO's Programmatic Review of the 2007 Preliminary Budget

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*Department of  
Education  
(DOE)*

# IBO

New York City  
Independent Budget Office

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## Introductory Note

IBO's programmatic reviews of the 2007 preliminary budgets of selected city agencies are intended to assist the public and elected officials better understand the allocation of budgetary resources to city services by presenting agency budgets in a way that is more closely aligned with the actual programs, functions, and services of major city agencies.

The current city budget presentation inhibits understanding and participation in three ways.

First, agency budgets, organized into broad *units of appropriation*, do not easily allow users to understand how much money is being spent from one year to the next on the programs and services that citizens and their elected representatives care about—programs such as job training, childhood lead-poisoning prevention, HIV/AIDS prevention and treatment, after-school programs, immigrant services, affordable housing construction, and recreation programs.

Second, budget proposals are presented in terms of Financial Plan changes, rather than in terms of year-to-year comparisons. A proposed cut, or “PEG,” of \$1 million in a program is presented without information on how much was previously projected for spending on that program in previous Financial Plans, and whether the \$1 million “cut” would leave spending lower, higher, or the same as previous years' spending levels. This presentation often manifests itself in annual debates over “hidden cuts” and what has been “baselined” in the Financial Plan. This manner of presenting the budget makes it difficult to understand the consequences for agency programs of budgetary decisions.

Finally, it is virtually impossible to link spending decisions to program results. Although at one time the city was a trailblazer in performance reporting, the lack of linkage between performance data reported in the Mayor's Management Report and elsewhere, and clear spending information, makes it difficult for citizens, elected officials, and even agency managers to know what they are getting for their money and to evaluate alternatives. Our programmatic budget presentations integrate existing performance data from the Mayor's Management Report, Capstat, and other sources produced by the Mayor's office alongside spending figures, to provide a unified presentation of both spending and performance.

Our goal in preparing these budget reviews has been to hew as closely as possible to how the agencies themselves present their organization, programs, and services, on their official Web sites and other sources, including using the agencies' own language to describe programs in most cases. While we have sought, and in most cases received, considerable input from agencies in the preparation of the program budget reviews, our presentations are not necessarily how the Mayor's budget office or the agencies themselves would present their budgets, were they to do so in programmatic terms. Nonetheless, we think that our presentations can be instructive and point the way toward how to improve understanding of the city's budget in a way that enhances public participation in the budget process.

IBO will periodically update our program budgets. We will continue to separately issue our analysis of the Preliminary Budget, including of selected agency budgets, as we have every year as required by City Charter section 246.

We welcome your comments or questions, which you may direct to IBO at (212) 442-0632, or by e-mail to [ibo@ibo.nyc.ny.us](mailto:ibo@ibo.nyc.ny.us).

# Department of Education

## MISSION

The New York City Department of Education provides primary and secondary education for over one million school age children. Through a network of elementary, junior high, intermediate, and high schools as well as special education schools, the Department provides basic instructional services and offers students special and bilingual education, and vocational training. Support services include free and subsidized transportation, breakfast and lunch services, and the operation and maintenance of over 1,200 school facilities.

## AGENCY DESCRIPTION

The Department of Education (DOE) provides primary and secondary education to over one million pre-kindergarten to grade 12 students in 32 school districts within 10 regions and over 1,300 schools, and employs approximately 77,000 teachers. DOE prepares students to meet grade level standards in reading, writing and math, and prepares high school students to pass Regents exams and to meet graduation requirements.

## FIVE-YEAR EXPENDITURE TRENDS BY PROGRAM AREA

<b>Department of Education</b>				
<i>Dollars in millions</i>	2003*	2004*	2006*	2007
	Actual	Actual	Current Modified	Preliminary Budget
<b>Spending by Program Area</b>				
Services to Schools	\$11,398.4	\$11,684.5	\$13,036.5	\$13,191.7
Systemwide Costs & Obligations	399.1	389.2	736.2	710.8
Nonpublic Schools	983.7	1,074.6	956.6	974.3
<b>TOTAL</b>	<b>12,781.2</b>	<b>13,148.3</b>	<b>14,729.2</b>	<b>14,876.8</b>
<b>Funding**</b>				
City	\$5,125.8	\$5,256.9	\$6,193.6	\$6,196.4
Intracity	9.1	6.6	8.6	8.0
Federal	1,662.4	1,775.8	1,852.6	1,757.6
State	5,867.3	5,811.8	6,638.5	6,875.1
Other Categorical	107.3	290.4	36.0	39.8
IFA	0.0	0.0	0.0	0.0
<b>Spending by Object</b>				
Personal Services	\$9,660.6	\$9,572.1	\$10,484.8	\$10,691.9
OTPS	3,111.5	3,569.6	4,244.5	4,184.9
<b>Full-time Personnel***</b>	100,694	117,609	119,212	n.a.
NOTES: *2003-2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.				
**2002-2005 funding data is from the Comptroller's Annual Financial Report; 2006 funding data is from the November 2005 Rosen Run. Funding information is unavailable for individual programs.				
***Full-time personnel: Actual as of June 30 for 2003 through 2005; as of Nov. 30 for 2006.				

## PROGRAM CHART

<b>Program Area</b>	<b>Programs</b>
<b>SERVICES TO SCHOOLS</b>	Classroom Instruction Instructional Support Instructional Administration Noninstructional Support
<b>SYSTEMWIDE COSTS &amp; OBLIGATIONS</b>	Central Administration Fringe Benefits – Retirees
<b>NONPUBLIC SCHOOLS</b>	

**PROGRAM AREA: SERVICES TO SCHOOLS**

Services provided directly to public school students and staff, primarily in the school building.

<b>Services to Schools</b> <i>Dollars in thousands</i>	2004* Actual	2006* Current Modified	2007 Preliminary Budget
<b>Spending</b>	<b>\$11,684,543</b>	<b>\$13,036,471</b>	<b>\$13,191,733</b>
Personal services	9,241,544	9,968,043	10,167,714
Other than personal services	2,442,999	3,068,428	3,024,019
<b>Full-time Positions**</b>	n.a.	100,683	n.a.
<b>Programs</b>			
Classroom Instruction	\$6,704,958	\$7,576,278	\$7,735,202
Instructional Support Services	1,416,090	1,130,029	1,287,342
Instructional Administration	1,501,321	2,001,964	1,862,437
Noninstructional Support Services	2,063,122	2,328,199	2,306,752
NOTES: *2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area. **Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

***Performance Results:***

<b>Key Performance Measures</b>		Type of Indicator	2002	2003	2004	2005
Student enrollment, all grades	Demand	1,098,832	1,091,707	1,086,900	1,075,300	
Average daily attendance (%)	Output	89.4	89.0	88.6	89.4	
Elementary/Middle	Output	91.7	91.9	91.9	91.7	
High School	Output	81.3	83.2	82.1	81.4	
General & part-time special education enrollment, all grades	Demand	1,015,783	1,008,980	1,003,141	989,228	
Full time special education enrollment, all grades	Demand	81,446	80,886	82,511	84,312	
Special education, percent in least restrictive environment	Output	45.5	44.6	45.0	46.1	
Adult & continuing education enrollment	Demand	26,321	27,619	26,051	25,245	
Basic education	Demand	9,739	9,653	8,648	7,896	
English as a second language	Demand	12,897	14,593	14,950	14,164	
GED preparation	Demand	3,685	3,373	2,453	3,185	
SOURCE: Mayor's Management Report.						

## CLASSROOM INSTRUCTION

Classroom instruction consists of instructional services provided in the classroom and other services that impact directly on the quality of classroom instruction. Funds are included for school-year, summer, and evening sessions. This program area contains funding for:

- Teachers, educational paraprofessionals, and other personnel who provide direct instruction in the classroom (elementary and middle school librarians are included in this category).
- Textbooks, including those funded by the New York State Textbook Law.
- Library books and librarians at the high school level.
- Instructional supplies and equipment (including student furniture, lab equipment, audio-visual equipment) for direct classroom use.
- Professional development provided at the school level including teacher trainers and trainees, professional educational conferences, and indirect services such as universities that provide staff and curriculum development.
- Consultants, agencies, and community-based organizations that provide educational services to students and staff; includes universal pre-kindergarten.
- Summer and evening school programs.

<b>Classroom Instruction</b> <i>Dollars in thousands</i>	2004* Actual	2006* Current Modified	2007 Preliminary Budget
<b>Spending</b>	<b>\$6,704,958</b>	<b>\$7,576,278</b>	<b>\$7,735,202</b>
PS	5,907,991	6,582,982	6,748,443
OTPS	796,967	993,296	986,760
<b>Full-time Positions**</b>	n.a.	86,537	n.a.
<b>Service areas</b>			
General Education	n.a.	\$4,217,712	\$4,351,369
Special Education	n.a.	1,085,327	1,153,818
Adult Education	n.a.	36,916	36,916
Fringe Benefits and Other – Classroom Instruction	n.a.	2,236,324	2,193,099

NOTES: \*2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.\*\*Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

***Performance Results:***

<b>Classroom Instruction Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Percentage of Classes with 29 or more students, grades 1-3	Outcome	5.4	3.1	3.1	1.8
Number of classes with more than 34 students, high school					
Fall	Output	1,202	1,352	1,353	1,702
Spring	Output	940	858	846	983
Percentage of Students in grades 3-8 meeting or exceeding standards:					
English Language Arts	Outcome	n.a.	41.0	41.1	51.8
Math	Outcome	37.3	41.9	46.7	n.a.
Percent General education students graduating within 4 years of entry into high school	Outcome	50.8	53.4	54.3	n.a.
Percent General education students dropping out within 4 years of entry into high school	Outcome	20.3	20.3	16.3	n.a.
Special education students graduating within 4 years of entry into high school	Outcome	7.9	8.8	8.7	n.a.
Percent Special education students dropping out within 4 years of entry into high school	Outcome	28.4	25.9	16.9	n.a.
Attendance rate for mandated summer school students, grades 3-8	Outcome	79.3	79.7	78.9	n.a.
Attendance rate for mandated summer school students, high school	Outcome	68.8	60.1	64.4	n.a.
Percent mandated summer school students elevated after completing summer school, high school	Outcome	n.a.	n.a.	n.a.	n.a.
English language learners testing out within 3 years	Outcome	80.9	61.6	72.5	n.a.
Certified teachers	Service Quality	83.0	89.6	98.5	98.8
Teachers with 5 or more years experience	Service Quality	60.6%	60.1%	59.7%	64.4%
SOURCES: Mayor's Management Report.					

## INSTRUCTIONAL SUPPORT SERVICES

Included in this category are direct services to students that supplement the basic classroom instructional program. Both DOE providers and contracted staff are included. This program area contains funding for:

- Counseling services.
- Attendance teachers, the systemwide truancy patrol program, school neighborhood workers, and family workers who provide attendance and family outreach services (including those who assist families in obtaining Medicaid and Supplementary Security Income).
- Health and other related services such as health screening, nursing (including Section 504), occupational therapy, physical therapy, adaptive physical education, hearing, vision and speech services provided by the Board and contracted providers.
- All mandated special education paraprofessionals who provide sign language/interpreter services, mobility training, toilet training, crisis management, and health services to students per their Individualized Education Program.
- Drug prevention programs.
- DOE staff and contract providers for the School Based Support Teams and for the Committee on Special Education review teams who evaluate students referred for special education services during the day or after school.
- After-school instructional, recreational, and latch-key programs, and field trips.
- Parent involvement activities, including parent association and PTA activities.

<b>Instructional Support Services</b> <i>Dollars in thousands</i>	2004* Actual	2006* Current Modified	2007 Preliminary Budget
<b>Spending</b>	<b>\$1,416,090</b>	<b>\$1,130,029</b>	<b>\$1,287,342</b>
PS	1,232,301	991,876	1,151,080
OTPS	183,789	138,153	136,262
<b>Full-time Positions**</b>	n.a.	86,537	n.a.
<b>Service areas</b>			
General Ed	n.a.	\$221,759	\$225,710
Special Ed	n.a.	668,625	670,245
Before/After School & Extracurricular	n.a.	65,911	65,896
Parent Involvement	n.a.	9,020	5,020
Fringe Benefits and Other – Instructional Support	n.a.	164,713	320,471
NOTES: *2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.**Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			



***Performance Results:***

<b>Instructional Support Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Home instruction enrollment	Demand	1,603	1,841	1,234	1,798
Percent of special education cases completed	Service Quality	89.0	90.3	88.5	93.7
Percent of special education program recommendations within 30 days	Service Quality	69.3	68.1	59.3	59.0
Parent coordinator workshops held for parents	Output	n.a.	n.a.	n.a.	22,900
Parents attending parent-teacher conferences	Output	n.a.	n.a.	n.a.	974,500
SOURCES: Mayor's Management Report.					

**INSTRUCTIONAL ADMINISTRATION**

This program area funds administrative staff, materials, and facilities at both the school and regional levels, including:

- Principals and assistant principals, including both full-time and per diem.
- Most Supervisors who work in schools and regional offices.
- School secretaries, school aides, general assistants (high schools only), audio-visual and media service technicians, and School Leadership Team members.
- Supplies, materials, equipment and telephones.

<b>Instructional Administration</b> <i>Dollars in thousands</i>	2004* Actual	2006* Current Modified	2007 Preliminary Budget
<b>Spending</b>	<b>\$1,501,321</b>	<b>\$2,001,964</b>	<b>\$1,862,437</b>
PS	1,380,371	1,805,808	1,674,283
OTPS	120,950	196,155	188,154
<b>Full-time Positions**</b>	n.a.	1,633	n.a.
<b>Service areas</b>			
General Ed	n.a.	\$1,441,443	\$1,441,762
Special Ed	n.a.	247,746	249,836
Fringe Benefits and Other – Instructional Administration	n.a.	312,774	170,839

NOTES: \*2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.\*\*Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

***Performance Results:***

<b>Instructional Administration</b> <b>Performance Statistics</b>	Type of Indicator	2002	2003	2004	2005
Percent Principals with 3 or more years as principal	Service Quality	62.0	62.5	54.7	48.2

SOURCE: Mayor's Management Report.

**NONINSTRUCTIONAL SUPPORT**

This category includes all noninstructional services that are provided within the schools and regional offices including:

- The purchase, warehousing, transportation, and distribution of food for students and school staff, including school lunch workers and field supervisors and the cost of nutritional education programs.
- Transportation costs such as yellow buses and passes for public bus, subway and ferry service for general and special education. The personnel responsible for routing, scheduling, issuing passes and monitoring eligibility are also included.
- School safety officers, supervisors, administration, and related supplies and equipment such as metal detectors, vans, uniforms, and training.
- School level computer support.
- Custodial Services and building maintenance staff and supplies for schools and regional offices, excluding costs relating to afterschool programs, summer or evening schools.
- Leasing space for instructional and regional administration uses.
- Electricity, heat, oil, and power.

<b>Noninstructional Support Services</b> <i>Dollars in thousands</i>	2004* Actual	2006* Current Modified	2007 Preliminary Budget
<b>Spending</b>	<b>\$2,062,174</b>	<b>\$2,328,199</b>	<b>\$2,306,752</b>
PS	720,881	587,376	593,909
OTPS	1,341,293	1,740,823	1,712,843
<b>Full-time Positions**</b>	n.a.	2,674	n.a.
<b>Service areas</b>			
School Food	n.a.	\$331,578	\$331,759
School Safety	n.a.	203,055	221,791
Pupil Transportation	n.a.	817,814	836,242
Building Services	n.a.	520,506	513,406
Energy & Leases	n.a.	334,499	303,131
Computer Support	n.a.	3,426	3,471
Fringe Benefits and Other –			
Noninstructional Support Services	n.a.	117,322	96,952

NOTES: \*2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.\*\*Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

***Performance Results:***

<b>Noninstructional Support Services</b>					
<b><i>Performance Statistics</i></b>	Type of Indicator	2002	2003	2004	2005
Average lunches served daily	Output	645,631	643,794	639,834	634,706
Average breakfasts served daily	Output	148,156	145,286	167,076	182,475
Number of crimes & incidents	Outcome	15,990	14,880	16,517	16,093
7 major crimes	Outcome	1,343	1,214	1,365	1,314
Other criminal categories	Outcome	4,257	4,419	4,775	4,741
Other incidents	Outcome	10,390	9,247	10,377	10,038
Contract bus eligible riders, general & special education students	Demand	n.a.	n.a.	158,818	172,403
Summer mandated services contract bus eligible riders, general & special education students	Demand	n.a.	n.a.	36,949	38,089
SOURCES: Mayor's Management Report.					

**Department of Education**  
Systemwide Cost & Obligations

**PROGRAM AREA: SYSTEMWIDE COSTS & OBLIGATIONS**

Funds spent to support systemwide functions and obligations that are not associated with any specific region or school. Examples include the offices of the Chancellor and deputy chancellors, human resources, and the Panel for Education Policy. This category also includes funds for retiree health and welfare and the Special Commissioner of Investigation.

<b>Systemwide Costs &amp; Obligations</b>	2004*	2006*	2007
<i>Dollars in thousands</i>	Actual	Current Modified	Preliminary Budget
<b>Spending</b>	<b>\$389,167</b>	<b>\$736,153</b>	<b>\$710,838</b>
Personal services	277,665	510,906	518,350
Other than personal services	111,502	225,247	192,488
<b>Full-time Positions**</b>	n.a.	2,960	n.a.
<b>Program Areas</b>			
Central Administration	\$266,810	\$476,640	\$434,854
Fringe Benefits - Retirees	103,162	259,512	275,985
NOTES: *2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.***Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

<b>Central Administration</b>	2004*	2006*	2007
<i>Dollars in thousands</i>	Actual	Current Modified	Preliminary Budget
<b>Spending</b>	<b>\$266,810</b>	<b>\$476,640</b>	<b>\$434,854</b>
Personal services	265,055	251,394	242,366
Other than personal services	104,916	225,247	192,488
<b>Full-time Positions**</b>	n.a.	2,960	n.a.
<b>Service Areas</b>			
Central Administration	\$238,770	\$442,379	\$397,698
Fringe Benefits – Central Administration	28,040	34,262	37,156
NOTES: *2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.**Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

**Department of Education**  
Nonpublic Schools

**PROGRAM AREA: NONPUBLIC SCHOOLS**

Included in this category are payments made to nonpublic schools for:

- Tuition for general and special education students.
- Transportation services.
- Food services.
- New York State Textbook Law funds.
- Federal IDEA and Title I funds, including those in correctional facilities, as well as overhead costs associated with the delivery of Title I remedial services to nonpublic school children (e.g. leases, mobile instructional units).
- Tuition costs for city students in foster care attending out of city schools.
- Evaluation and placement costs for pre-school and school-age students referred for special education private placements.
- Administrative costs associated with the running and oversight of the above programs.

In addition, this program area includes payments to the Fashion Institute of Technology, a community college for which the Board is the official sponsor, and Charter Schools.

<b>Nonpublic Schools</b>	2004*	2006*	2007
<i>Dollars in thousands</i>	Actual	Current Modified	Preliminary Budget
<b>Spending</b>	<b>\$1,074,675</b>	<b>\$956,606</b>	<b>\$974,255</b>
Personal services	52,962	5,820	5,820
Other than personal services	1,021,713	950,785	968,434
<b>Full-time Positions**</b>	n.a.	57	n.a.

NOTES: \*2004 spending data is from the Department of Education's School Based Expenditure Reports and is not directly comparable to 2006 spending data. 2005 spending is not included because the data available from the Department of Education data does not permit organization by program area.\*\*Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

**CAPITAL PROGRAM**

<b>Department of Education Capital Program</b>						
<i>Dollars in millions</i>	<b>2004 Actual</b>		<b>2005 Actual</b>		<b>2006-2009 Plan</b>	
<b>Ten Year Plan Category</b>	City	Total	City	Total	City	Total
Ancillary Facilities (Administration)	n.a.	n.a.	n.a.	n.a.	\$18.3	\$47.5
Emergency, Inspection and Miscellaneous	n.a.	n.a.	n.a.	n.a.	327.7	880.3
Educational Enhancements	n.a.	n.a.	n.a.	n.a.	1,182.3	3,169.5
Major Modernization of Schools	n.a.	n.a.	n.a.	n.a.	13.3	35.6
Rehabilitation of School Components	n.a.	n.a.	n.a.	n.a.	1,036.9	2,682.4
Safety and Security	n.a.	n.a.	n.a.	n.a.	132.2	365.6
System Expansion (New Schools)	n.a.	n.a.	n.a.	n.a.	829.4	2,204.2
System Expansion (Other)	n.a.	n.a.	n.a.	n.a.	402.7	1,121.1
All Other, Net	571.0	593.1	2,188.3	2,188.3	n.a.	n.a.
<b>TOTAL</b>	<b>\$571.0</b>	<b>\$593.1</b>	<b>\$2,188.3</b>	<b>\$2,188.3</b>	<b>\$3,942.8</b>	<b>\$10,506.2</b>
SOURCES: IBO; Monthly Transaction Analysis reports for 2004 and 2005; and Ten-Year Capital Strategy, Fiscal Years 2006-2015, released May 2005.						