

September 2021

## Federal Assistance:

# How The Mayor Plans to Use Billions In Covid-Related Aid For Schools

## Summary

New York City is set to receive \$7.3 billion in federal education aid to assist the city's school system in its recovery from the impacts of the Covid-19 pandemic. The relief, which comes from two separate stimulus packages—the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARPA), must be spent by the end of fiscal year 2025. These funds are in addition to \$721 million the city received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020. Unlike the federal funding from the CARES Act, which New York State used to supplant its own education aid for the city, the new relief funds are supplemental.

In this brief, IBO details how the city plans to spend the \$7.3 billion in relief funds and examines how much is budgeted for programs that the city would likely want to continue past the expiration of federal aid—leaving potentially difficult decisions for the next administration. Among our findings:

- The city has budgeted the new federal education aid over the course of its financial plan through 2025, with the largest amount, \$3.1 billion, planned for the current fiscal year. As of publication, the Department of Education (DOE) has already allocated \$1.1 billion directly into schools' budgets for the 2021-2022 school year.
- Of the total Covid-related education funding, IBO estimates \$4.1 billion is to be spent on short-term recovery programs. These are programs to support students' recovery from the effects of the pandemic, assist in the return to full-time in-person learning, and restore some temporary cuts to programs imposed earlier in the pandemic.
- IBO estimates that the remaining \$3.2 billion is budgeted to fund what we have classified as long-term programs over the next several years—largely expansions of current programs that are likely to continue after federal aid is depleted. Most notably, this includes the expansion of 3-K, the city's preschool program for 3-year-olds.
- IBO estimates that the cost of maintaining all of the recurring education expenses that are now set to be funded through the federal aid would require an additional \$267 million in fiscal year 2025 and \$787 million a year in fiscal year 2026 and beyond.

The Mayor's Office of Management and Budget reports it is optimistic that as the city's economy recovers, revenue will increase enough to fund the recurring costs that are currently covered by the federal education aid. That level of optimism about the city's economic recovery, however, was not reflected in the revenue outlook included in the Mayor's most recent budget, leaving questions as to whether the city will be able to maintain these expansions or face increased pressure in future budgets.



## Overview

New York City will receive over \$7.3 billion in federal relief funds for elementary and secondary education from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARPA), which were signed into law in December 2020 and March 2021, respectively. The aid is to help the city's school system recover from the impacts of the Covid-19 pandemic. New York City's Department of Education (DOE) will receive \$2.15 billion from CRRSA and \$4.82 billion from ARPA in education aid, and separately, \$336 million in ARPA local aid, funds provided directly to the city for general purposes but allocated to the DOE.

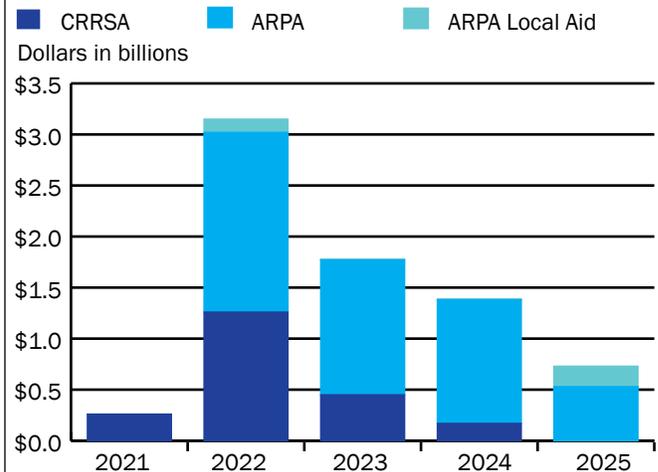
Similar to how the education relief funds provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act last year were dispersed, the majority of CRRSA and ARPA education dollars are distributed to states according to their share of federal Title I-A funding, which is based on the number and concentration of students from low-income families. States then pass most of their allocations on to school districts within the state using the same Title I-A basis.

In April 2020, New York State used the first round of federal education relief funding from the CARES Act to supplant state funds rather than the intended use of allowing school districts to use the money to address new Covid-related needs. In this year's state budget, CRRSA and ARPA relief funds are completely supplemental and do not supplant any state education aid for New York City.

Based on the city's Fiscal Year 2022 Adopted Budget, city funding in the DOE budget will decline in 2022 by \$657 million compared with 2021, although increased state and federal funding will more than compensate for the loss of city funding, with total DOE funds increasing by over \$2 billion from 2021. (Unless otherwise noted, all years refer to city fiscal years.) As the city's utilization of federal stimulus funding declines in 2023 and beyond, city funding for the DOE will increase, and by 2024, total city funding will exceed 2021 levels.

According to the federal relief legislation, CRRSA funds must be spent by city fiscal year 2024 and ARPA funds must be spent by city fiscal year 2025. The city's plan spreads the federal relief funding over the course of the financial plan, with CRRSA funds budgeted from 2021 to 2024 and ARPA funds from 2022 to 2025, with the largest total amount, \$3.1 billion planned for 2022. As of publication, \$1.1 billion of federal relief aid has been allocated directly to schools for the 2021-2022 school year.<sup>1</sup>

### New York City Department of Education Budgets Over \$7 Billion in Federal Education Aid From 2021 Through 2025



SOURCE: New York City Financial Management System  
NOTE: Budget for 2021 reflects the final current modified budget; budgets for 2022 through 2025 are projections as of the city's Fiscal Year 2022 Adopted Budget.

New York City Independent Budget Office

Both CRRSA and ARPA funds are available to school districts to address the needs of students and schools resulting from the Covid-19 pandemic. Notably, at least 20 percent of ARPA education funds must be spent to “address learning loss through the implementation of evidence-based interventions” such as after-school or summer programming. ARPA's learning loss spending requirement also directs districts to ensure that these interventions serve students' academic, social, and emotional needs, and address the disproportionate impact of the pandemic on student subgroups, such as students experiencing homelessness. In the adopted budget, the DOE identified \$137 million to be spent on the learning loss requirement—only 2.8 percent of the city's ARPA education aid—which is budgeted to pay for school-based social workers. The portion of funds spent on learning loss is likely to increase as the DOE identifies additional programs to address the need.

### Federal Funds to be Used for Short-Term and Long-Term Programs

IBO identified \$4.1 billion in federal relief funds that the DOE plans to spend on short-term programs that support students' recovery from the effects of the pandemic and the return to full-time in-person learning, as well as to restore some temporary cuts to programs that were imposed earlier in the pandemic when the city's near-term fiscal outlook appeared more dire. The remaining \$3.2 billion is planned to fund what IBO identified as longer-term programs that continue beyond the expiration of federal relief funds, including expansions of DOE programs and

**Almost Half of ARPA and CRRSA Funds Would Be Spent on Expenses Expected to Continue Beyond 2025**

*Dollars in millions*

	2021	2022	2023	2024	2025	Total
Short-Term	\$249	\$2,528	\$910	\$231	\$208	\$4,126
Long-Term	16	619	867	1,158	518	3,178
<b>TOTAL</b>	<b>\$265</b>	<b>\$3,147</b>	<b>\$1,777</b>	<b>\$1,389</b>	<b>\$726</b>	<b>\$7,304</b>

SOURCE: IBO Analysis of Mayor’s Office of Management and Budget Adopted Budget Revenue Financial Plan Detail, Communication with Office of Management and Budget, Financial Management System  
New York City Independent Budget Office

and 2023, decreasing to \$82 million in 2024 and \$10 million in 2025 for “Instructional Supports,” including professional development.

Spending on the fourth broad category of support for recovery, “IT Support,” totals \$155 million in 2022, falling to \$70 million in 2023 and \$6 million in 2024. This spending will be used to fund IT help desks, enhance school Wi-Fi, and continue wireless broadband service for devices purchased for remote learning in the 2021-2022 school year.

In addition to the four DOE-defined categories of broad support above, part of the recovery funds is budgeted to directly address the needs of students with disabilities who have fallen behind during the pandemic. A total of \$280 million in ARPA funds, in addition to \$60 million in federal IDEA (Individuals with Disabilities in Education Act) funds, is planned during 2022 and 2023 to make up for special education services missed because of the pandemic.

Portions of several of these initiatives, initially introduced in the Mayor’s Executive Budget in April, will go toward funding the city’s \$635 million [Academic Recovery Plan](#), which was announced in July. Funds from the Academic Recovery and Student Support, Instructional Support, and Special Education Services initiatives, plus \$18 million in city tax levy funding for class size reduction will contribute to the plan, which covers only the 2021-2022 school year. The Academic Recovery plan consists of the following elements: \$251 million for Special Education; \$202 million to develop the Universal Mosaic Curriculum by fall 2023, a new citywide curriculum in English and math that aims to reflect the city’s cultural diversity; \$122 million to purchase additional digital devices and expand computer science; \$49 million for early literacy in grades K-2; and \$10 million for college and career preparation.

**Preventing Budget Cuts, Reopening Schools, and Restoring Initiatives.** Relief funds are also being used to prevent cuts to school budgets that would have occurred in the 2020-2021 school year if the DOE had followed its regular mid-year adjustment process. Normally, schools with lower enrollment than initially projected by the DOE see their budgets adjusted downward during the school year to reflect their actual enrollment. Given significant enrollment loss due to the pandemic, some schools experienced large mid-year adjustment cuts for the 2020-2021 school year, despite incurring additional Covid-related expenses. The cuts will now be reversed using \$130 million in federal relief funding and \$44 million in city funds.

the reversal of several recurring cuts made during the pandemic. Because federal funds are time-limited, these long-term programs will need other sources of funding to replace federal dollars if they are to continue past 2025.

**Short-Term Recovery Efforts**

Over half of all CRRSA and ARPA education funds, \$4.1 billion, were identified by IBO as short-term recovery initiatives. The majority of this spending, \$2.5 billion, will take place in 2022, decreasing over time to \$910 million in 2023, \$231 million in 2024, and \$208 million in 2025 (with \$249 million spent in 2021).

**Four Main Categories of Support for Recovery.** A total of \$1.8 billion in 2022 is budgeted across four broad DOE-defined categories of support for students and schools, with additional funds tapering off through 2025. The largest short-term spending category is “Operational Support,” at \$958 million in 2022 and a total of \$1.2 billion over five years (2021-2025). In 2022, this category consists of \$618 million for facilities (including custodial, accessibility, and infrastructure work), \$273 million for charter schools, \$49 million for school-based staff recruitment and retention programs, and \$16 million for school reopening.

The second largest category of support is \$500 million of ARPA funds in 2022 for “Academic Recovery and Student Supports,” including academic assessments to determine students’ degree of learning loss, and multiple academic interventions including English Language Arts and math instruction, tutoring, and extended learning time. So far, \$91 million of this academic recovery funding was allocated to schools for this year’s Summer Rising program, which provided K-12 students with a combination of academic support, social-emotional support, and recreational activities. Funding for “Academic Recovery and Student Supports” will decrease to \$250 million in 2023 and \$100 million in 2024. Another effort to aid academic recovery with federal relief funds adds \$220 million a year in 2022

## New Federal Education Funds Would Be Spent on a Combination of Short-Term Recovery Efforts and Long-Term Expansions and Restorations

Dollars in thousands

	2021	2022	2023	2024	2025	TOTAL
<b>Short-Term Recovery Efforts</b>						
Operational Support	\$1,000	\$957,790	\$235,154	\$43,300	\$6,600	\$1,243,844
Academic Recovery and Student Supports	0	500,000	250,000	100,000	0	850,000
Instructional Supports	0	220,000	220,000	82,000	10,000	532,000
Special Education Services	0	176,000	104,000	0	0	280,000
IT Supports	2,000	155,000	70,000	6,000	0	233,000
School Reopening	100,000	118,810	0	0	0	218,810
Programmatic Support (Short-Term)	2,000	149,528	0	0	0	151,528
Mid-Year Adjustment Hold Harmless	130,000	0	0	0	0	130,000
Summer School	0	0	0	0	100,000	100,000
Social Workers	0	0	0	0	46,000	46,000
Nurses	0	0	0	0	20,000	20,000
Learning Bridges	13,600	0	0	0	0	13,600
Extended Summer Use	0	0	0	0	13,000	13,000
Community Schools	0	0	0	0	12,000	12,000
City Artist Corps	0	5,025	0	0	0	5,025
Restorations (Short-Term)	0	245,800	31,000	0	0	276,800
<b>Long-Term Expansions and Restorations</b>						
3-K Expansion	\$2,709	\$333,997	\$469,499	\$753,461	\$376,159	\$1,935,825
Mental Health for All	0	79,580	85,834	85,834	48,717	\$299,965
Preschool Special Ed	0	22,055	88,147	94,623	47,250	252,075
Programmatic Support (Long-Term)	0	52,000	52,000	52,000	0	156,000
Community School Expansion	0	9,500	51,200	51,200	25,600	137,500
Restorative Justice Expansion	0	12,099	14,762	14,752	7,376	48,989
Indirect Cost Rate	5,210	5,210	5,210	5,210	5,210	26,050
PSAL Expansion	0	5,674	6,364	7,086	3,543	22,667
Positive Learning Collaborative	5,000	5,000	0	0	0	10,000
Restorations (Long-Term)	3,300	93,737	93,737	93,737	4,550	289,061
<b>Total</b>	<b>\$264,819</b>	<b>\$3,146,805</b>	<b>\$1,776,907</b>	<b>\$1,389,203</b>	<b>\$726,005</b>	<b>\$7,303,739</b>

SOURCE: IBO Analysis of Mayor's Office of Management and Budget Revenue Financial Plan Detail; Communication with the Mayor's Office of Management and Budget; Financial Management System

NOTE: Budget for 2021 reflects the final current modified budget; budgets for 2022 through 2025 are projections.

New York City Independent Budget Office

The second major use of relief funds for 2021 is school reopening, including cleaning, personal protective equipment, and other costs, accounting for \$100 million in CRRSA funds. (Additional federally funded reopening costs in 2022 are discussed below). In 2021, \$13.6 million supported expenses from the Learning Bridges pandemic childcare program, where centers served students learning remotely in the 2020-2021 school year.

Finally, CRRSA funds reverse several short-term cuts for the 2021-2022 school year that had been slated to take effect under previous financial plans. This includes restoring: a \$150 million cut to Fair Student Funding (the largest source

of discretionary dollars for schools); a \$44 million savings from delaying the expansion of 3-K; and a \$21 million cut to per session budgets.<sup>2</sup> Federal relief funds will also be used to restore \$31 million of the \$67 million in recurring cuts in professional development previously planned for 2022 and 2023, but leave the full cuts in place for 2024 and 2025.

**Short-Term ARPA Local Aid Initiatives.** The ARPA local government aid going to the DOE will be used almost entirely for short-term initiatives. In 2022, ARPA local aid funds are budgeted for \$119 million in school reopening costs and \$5 million for the City Artist Corps, which partnered with schools across the city to paint murals on school buildings. In 2025

only, the local aid funds will substitute for city funds for several existing expenses, including \$100 million for summer school, \$46 million for social workers, \$20 million for nurses, \$13 million for extended summer use of facilities, and \$12 million for community schools. According to the DOE, these 2025 expenses are ARPA-eligible despite predating the pandemic response because they will address lingering pandemic-related needs.

### Programmatic Support Includes a Combination Of Short-Term and Long-Term Efforts

In 2022, \$202 million is planned for “Programmatic Support,” \$95 million of which would support Fair Student Funding. Between this component of “Programmatic Support” and increased Foundation Aid revenue from the state, all schools will receive their entire formula-determined Fair Student Funding allocation for the first time in 2022. Another portion of “Programmatic Support” temporarily restores cuts to several DOE programs including Affinity Schools and Learning to Work.<sup>3,4</sup> Finally, “Programmatic Support” will fund the forgiveness of all school deficits rolled over from prior years (a cost of \$11 million) and allow schools to roll any budget surpluses from the 2020-2021 school year into the 2021-2022 school year (\$36 million).<sup>5</sup> Of the \$202 million total for 2022, \$150 million is short-term and limited to 2022, while the remaining \$52 million continues as long-term support through 2023 and 2024.

### Long-Term Expansions and Restorations

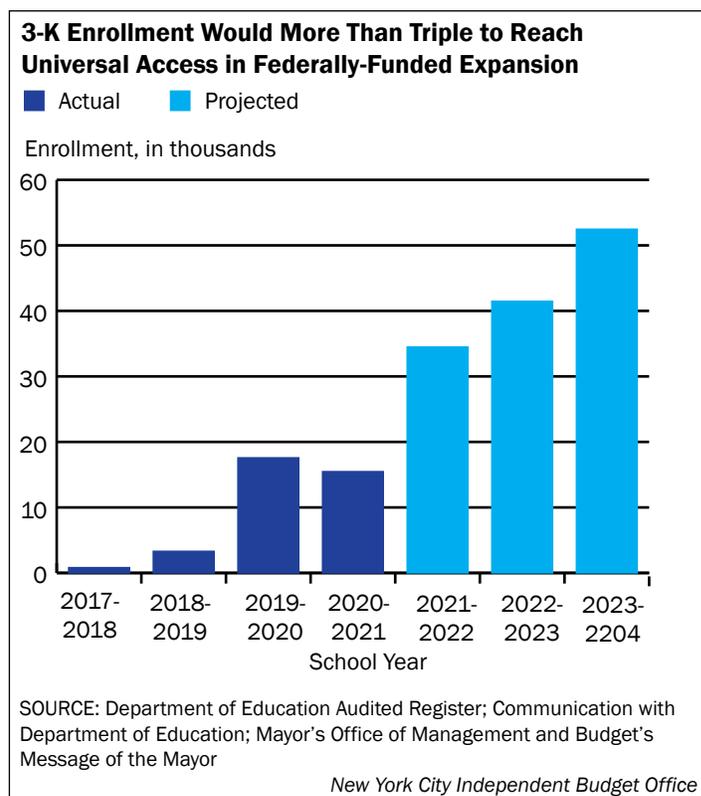
IBO identified \$3.2 billion in CRRSA and ARPA federal relief funding that the DOE intends to use to permanently expand existing DOE programs. While these long-term programs may also contribute to near-term academic and other recovery from the impact of the pandemic, they are also envisioned to continue beyond the five-year timeframe of CRRSA and ARPA funding.

**Universal 3-K.** The largest of these expansions is for 3-K, the city’s preschool program for 3-year-olds. January’s Preliminary Budget, before the addition of the CRRSA and ARPA funding, would have delayed the planned expansion of the program from the current 12 community school districts to 16 districts in the fall of 2021 to the fall of 2022. Instead, with the addition of federal relief funds, the program is now set to expand to have limited 3-K seats available in all 32 districts this school year (2021-2022). The program will continue to grow over the following two years with the goal of universal 3-K access in all districts by the 2023-2024 school year.

The DOE projects that this expansion would more than double 3-K enrollment from 15,500 in the 2020-2021 school year to 34,500 in 2021-2022. To achieve universal access by September 2023, the DOE would then add an additional 18,000 seats over the following two years.

The expansion to universal 3-K will rely on increasing the share of students enrolled in independent, community-based preschool programs, known as NYC Early Education Centers or NYCEECs. In the 2020-2021 school year, 70.3 percent of 3-K students attended NYCEEC 3-K programs, up from 65.9 percent in 2019-2020. The DOE projects the NYCEEC share of enrollment will rise to 73.2 percent in 2021-2022, and anticipates that this share will continue to increase as 3-K expands further. In contrast, only 54.2 percent of 4-year-olds in Pre-K for All attended NYCEEC programs in 2020-2021.

The planned 3-K expansion is by far the largest DOE initiative funded by ARPA and CRRSA, with an initial federal cost of \$334 million in 2022, rising to \$469 million in 2023, and \$753 million in 2024. The federal funds are in addition to the city’s existing funding for 3-K, which is budgeted at \$242 million annually from 2022 to 2024. In 2025, the cost of the expansion is split evenly, with \$376 million each from ARPA and city funding. The full costs are likely to be borne solely by city funds in 2026 and beyond.



**Other Program Expansions.** Five out of the six other program expansions are only half-funded in 2025; the only expansion of an existing program that would not be funded at all past 2022 is for the Positive Learning Collaborative, a joint DOE-UFT program started in 2013 that focuses on improving school climate and encouraging restorative practices that promote healing as an alternative to punishment. The program would receive \$5 million of federal funding to expand from six schools to 23 schools but only for two years –2021 and 2022. For this program to remain active in all 23 schools, other sources of funding would need to be located beginning in 2023. Existing programs that are planned to be expanded with the federal relief funds for the entire plan period, though not fully funded in 2025, include preschool special education, mental health supports, community schools, restorative justice, and increasing access to athletic teams. A total of \$761 million in federal ARPA and CRRSA funds is budgeted for these expansions through 2025.

The DOE plans to use federal funds to expand preschool special education services with \$22 million in 2022, ramping up to \$95 million by 2024. The department aims to serve approximately 1,300 additional students with disabilities with this expansion across Pre-K and 3-K programs. This funding will offer some preschool special education services in-house that until now have only been provided by outside contractors.

Federal relief funds are also budgeted for non-academic support, including expanding mental health services in schools, with \$80 million in 2022 and \$86 million a year in 2023 and 2024 to support an additional 290 school-based social workers, 36 borough-based social workers, 90 psychologists, and 30 family support staff. In a separate initiative, 60 Single Shepherd social workers are to be restored as a part of the federally funded Equity and

Excellence program restorations.<sup>6</sup> After this expansion, the DOE maintains that every school will have either a full-time social worker or a school-based mental health clinic.

ARPA and CRRSA funding for the DOE will also pay for 100 new community schools, which partner with community-based organizations to provide academic and other supports to students and families. When complete, this and other expansions would bring the total number of community schools to 416. The additional 100 community schools are to be funded with \$10 million of federal aid in 2022 and \$51 million annually in 2023 and 2024.

The DOE’s Restorative Justice program and the Public School Athletic League (PSAL) are both to expand using federal relief funds. Restorative Justice is to see a major expansion from four districts (5, 12, 16, and 18) and 302 additional middle and high schools to all middle and high schools across the 32 districts. The Restorative Justice expansion adds \$12 million in federal funds in 2022, increasing to \$15 million annually in 2023 and 2024. Federal relief is to fund a \$5.7 million expansion of the PSAL in 2022, increasing to \$7.1 million by 2024, with an emphasis on schools that currently have fewer than six teams and new programs shared between schools.

Finally, the city’s Indirect Cost Rate initiative, which supports overhead costs for nonprofit service providers, is budgeted to receive \$5.2 million annually in federal funds from 2021 through 2025 for DOE nonprofit contractors.

**Shifting Funding Shares for Program Expansions**

Supporting a major share of the cost of expanding existing programs through 2024 with federal revenue would represent a major shift in funding patterns for most of these initiatives. Some programs, including 3-K, Restorative Justice, and PSAL, currently rely entirely or almost entirely

<b>Federal Aid Shifts the Composition of Funding for Program Expansions</b>								
<i>Dollars in millions</i>								
Initiative	2021 Budget				Annual Funding at Full Expansion			
		City	State	Federal		City	State	Federal
Pre-K Special Education	\$864.3	7.9%	92.1%	0.0%	\$1,023.4	7.1%	83.6%	9.2%
3-K	241.1	98.9%	0.0%	1.1%	994.8	62.2%	0.0%	37.8%
Community Schools	229.1	29.5%	58.4%	12.2%	280.3	24.1%	47.7%	28.2%
Restorative Justice	6.8	100.0%	0.0%	0.0%	21.6	31.6%	0.0%	68.4%
Public School Athletic League	12.8	100.0%	0.0%	0.0%	19.9	64.4%	0.0%	35.6%

SOURCES: New York State School Funding Transparency Form; Financial Management System; Communication with the Department of Education; Mayor’s Office of Management and Budget Adopted Budget Revenue Financial Plan Detail  
NOTE: For all programs other than 3-K, the composition of funding shown in the table is for 2024 as they are only half-funded in 2025. The composition of 3-K funding is shown for 2025 since city funding was added only for this program to make it fully funded in that year.

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on city tax levy funds, but now a large share—over one third for PSAL and over two thirds for Restorative Justice—of their funding is budgeted to come from the federal government. On the other hand, the shift is much smaller for preschool special education, with the federal share of funds going from 0.0 percent to 9.2 percent. The largest expansions and those funded by the largest share of time-limited federal relief funds will be most at risk after 2025.

The largest expansion, 3-K, will reach a peak of 75.7 percent federal funding for the full program (including the existing 3-K program) in 2024. Funding for the 3-K expansion is to be split in 2025, with \$376 million each from ARPA and city funds, and the federal share of the total program would fall to 37.8 percent. After 2025, when ARPA funds are no longer available, the city would need to fund the entire cost of this expansion to maintain the scale of the universal 3-K program at the level projected for 2025.

In the 2020-2021 school year, the DOE budgeted \$229 million for its 266 existing community schools, only \$28 million of which was federally funded. The remaining funding is split between \$118 million from the state's required set-aside of Foundation Aid for Community Schools and \$84 million from other state and local sources.<sup>7</sup> The addition of ARPA funds to expand community schools increases the federal share from 12.2 percent in 2021 to 28.2 percent in 2024. A one-time infusion of \$12 million in ARPA local aid funding for community schools is budgeted to replace an equal amount of city funds in 2025.

**Restoring Expansions Previously Put on Hold.** In addition to expanding existing programs, ARPA and CRRSA funds are being used to restore several programs that had been cut in previous budgets. These annual recurring restorations include \$54 million for Equity and Excellence academic programs, \$15 million for Expanded Arts Instruction, \$9 million for community schools (including \$3 million to backfill reduced state funding), \$8 million for installing and maintaining air conditioning in schools, \$5 million for academic support staff, and \$2 million for Health Ed Works.

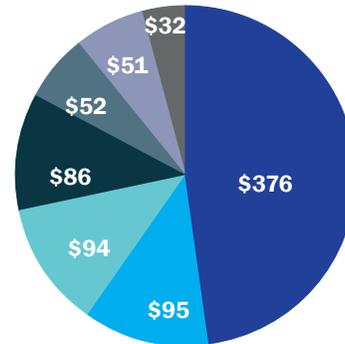
**Future Risks: Maintaining Long-Term Programs Currently Funded through ARPA and CRRSA**

By 2026, the city would need an additional \$787 million to maintain recurring programs expected to be funded with ARPA and CRRSA funding. Furthermore, some long-term programmatic expansions would require additional funding to replace federal dollars even before the end of the city's current five-year financial plan period. For some long-term programmatic expansions, including 3-K, federal funding

**Department of Education Would Need an Additional \$787 Million in 2026 to Maintain ARPA and CRRSA Long-Term Programs**

Dollars in millions

- 3-K Expansion
- Preschool Special Ed
- Restorations
- Mental Health for All
- Programmatic Support
- Community School Expansion
- Other Programs



SOURCE: IBO Analysis of Mayor's Office of Management and Budget Adopted Budget Revenue Financial Plan Detail; Communication with the Mayor's Office of Management and Budget; Financial Management System  
 NOTE: Other programs include Restorative Justice, Public School Athletic League, Indirect Cost Rate, and Positive Learning Collaborative.  
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is cut by half in 2025. Other long-term expenses, like the restoration to Equity and Excellence programs, would receive no federal relief funding in 2025. Of all recurring expenses funded by federal relief funds, only 3-K is fully funded in 2025, with city funding compensating for the decrease in federal funds.

In total, maintaining all of the recurring expenses that are now funded through ARPA and CRRSA would require an additional \$5 million in 2023 and 2024, \$267 million in 2025, and \$787 million in 2026 and beyond. While there is a chance that President Biden's proposal to dramatically expand Title I funding will provide a sustainable long-term source of revenue to support some of the DOE's planned expansions, the size and likelihood of such an increase is difficult to predict. To maintain these programmatic expansions, the DOE will need significant additional funding in the coming years.

Based on emails exchanged between IBO and the Mayor's Office of Management and Budget (OMB), OMB is optimistic that as the city recovers from the pandemic, revenue will increase enough to fully fund all of the long-term restorations and expansions currently supported by ARPA and CRRSA. This optimism is not reflected in the revenue outlook in the financial plan for the adopted budget, however, raising questions about the sustainability of these expanded DOE programs.

Prepared by Nicholas Martin

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## Endnotes

<sup>1</sup>Additional fringe costs are budgeted for centrally.

<sup>2</sup>Per session school budgets are used to pay pedagogical, pupil personnel service providers (such as school counselors, psychologists, and nurses) and supervisory employees at an hourly rate for any time worked in addition to their contractual obligation.

<sup>3</sup>Affinity Schools are a network of high schools that are supervised by a set of superintendents who are centralized, rather than based geographically. These schools are supported by CUNY or nonprofit organizations and include schools serving new immigrant students, focusing on career education, and implementing alternative assessments.

<sup>4</sup>The Learning to Work program offers paid internships, student support services, in-depth job readiness and college and career exploration activities.

<sup>5</sup>The school budget surplus rollover program allows schools with unspent funds in the previous school year to transfer those funds to the next school year. School budget deficits are mostly due to mid-year adjustment cuts attributable to enrollment losses not fully paid in previous years.

<sup>6</sup>The Single Shepherd program is a DOE program that aims to pair every student in grades 6-12 in Districts 7 and 23 (two of the districts with the lowest high school graduation and college attainment rates) with a guidance counselor or social worker who will support them from grade 6 to college enrollment.

<sup>7</sup>The Foundation Aid Community Schools Set-Aside is a portion of Foundation Aid, the largest state school aid category for school districts in New York, which must be used for community schools. Community schools provide academic, physical and mental health, nutrition, and other services to students and their families.

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