Campaign for Fiscal Equity, Inc.

The 2007-08 New York State Education Budget and Reform Legislation
and the
Contracts for Excellence

New York State Allocations: an increase of $1.76 billion in State Education Aid for the entire state for FY2007-08, bringing the total for statewide education funding to $19.64 billion, with a commitment to a total increase of $7 billion over four years. The largest part of the increase is classified as Foundation Aid, the newly created funding stream that combines several previously discrete funding sources and is based on need: $1.1 billion in 2007, $5.5 billion over four years statewide.

New York City Allocations: Over four years, the City will receive $3.2 billion in State Aid, of which $2.35 billion is classified as Foundation Aid. This $3.2 billion greatly exceeds 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, which brings the combined total up to $5.4 billion. This combined total closely approximates the $4.7 to 5.6 billion range ordered by the New York State Appellate Division in 2006.

For FY2007-08, New York City will receive $710 million in new State Aid; nearly $470 million is classified as Foundation Aid. The total budget from all funding sources for the NYCDOE for this year is $17 billion.

Contracts for Excellence: Developed with CFE to ensure transparency and accountability, Contracts for Excellence are required by state law for New York City and 55 other school districts across the state to show how the Foundation Aid will be spent. New York City is required to create both a citywide Contract for Excellence as well as one for each of its 32 Community School Districts.

The following chart outlines the state calculation for determining how much of the city's new Foundation Aid for School Year 2007-08 is subject to the Contract for Excellence:

New State Funds: Amount Subject to the Contracts for Excellence	
New State Aid to NYC	$ 710,000,000
New State Aid classified as Foundation Aid	$ 469,752,980
Less: 3% Increase Over 2006-07 Foundation Aid	($ 151,900,449)
Less: Charter School Base Tuition	($ 60,000,000)
Amount Subject to the Contracts for Excellence	**$ 257,852,531**

The state law requires that the Contracts for Excellence funds be spent within five programmatic areas:

- Class Size Reduction
- Student Time on Task
- Teacher and Principal Quality Initiatives
- Middle School and High School Restructuring
- Full-Day Pre-Kindergarten and Kindergarten

NYC Contract for Excellence Allocations			
Department of Education's Proposed Programs & Options*	***Proposed* Contract**	**State Education Department's Approved Programs & Options****	***Approved* Contract**
Class Size Reduction		**Class Size Reduction**	
Fair Student Funding	$66 million	Additional Classrooms	$51 million
Collaborative Team Teaching	$40 million	Additional Teachers	$78 million
Autism Spectrum Disorder Classrooms	$5 million		
Maintenance of Effort	$30 million	Maintenance of Effort	$24 million
Total Class Size Reduction	**$141 million**	**Total Class Size Reduction**	**$153 million**
Student Time on Task		**Student Time on Task**	
Fair Student Funding	$43 million	Longer Day	$22.5 million
Periodic Assessment	$14 million	Longer Year	$150,000
		Additional Instructional Block	$15.5 million
		Tutors	$7 million
		Maintenance of Effort	$2.8 million
Total Student Time on Task	**$57 million**	**Total Student Time on Task**	**$48 million**
Teacher & Principal Quality		**Teacher & Principal Quality**	
Fair Student Funding	$21 million	Retain/ Recruit HQ Teachers	$13 million
Children First Initiative	$19 million	Mentors	$4 million
		Teacher Coaches	$5.7 million
		Principal Coaches	$230,000
		Maintenance of Effort	$3.4 million
		Children First Intensive	$13.5 million
Total Teacher & Principal Quality	**$40 million**	**Total Teacher & Principal Quality**	**$40 million**
Middle & High School Restructuring		**Middle & High School Restructuring**	
Fair Student Funding	$8 million	Instructional Changes	$11 million
New School Start-up Operations	$11 million	Structural Changes	$6 million
Targeted Achievement Initiatives	$300,000		
Total Middle & High School Restructuring	**$20 million**	**Total Middle & High School Restructuring**	**$17 million**
Full-Day Pre-K & Kindergarten		**Full-Day Pre-K & Kindergarten**	
Fair Student Funding	$0.5 million	(no option listed)	$180,000
Total Full-Day Pre-K & Kindergarten	**$0.5 million**	**Total Full-Day Pre-K & Kindergarten**	**$180,000**
Total Contract for Excellence Spending	**$258 million**	**Total Contract for Excellence Spending**	**$258 million**

* Source NYCDOE website (http://schools.nyc.gov/Offices/ChildrenFirst/CFE/ContractProposal/default.htm) on 7/16/07.
Note: This page has since been updated and only lists program totals for the approved Contract for Excellence.
** Source: NYSED website (http://eservices.nysed.gov/c4e-public/reports/otherreports/NYC_300000_OE.doc) on 11/19/07.
Dollar figures rounded for presentation purposes only.