



Contracts for Excellence Proposed Plan FY 15



**Department of
Education**

Carmen Fariña, Chancellor

June 2014

Contracts for Excellence (C4E) Overview

- The NYCDOE receives a portion of its overall budget in the form of Foundation Aid from New York State.
- Part of this funding is subject to the provisions of the State’s “Contracts for Excellence.”
- Legislation was passed in response to the November 2006 Court of Appeals decision that every public school child in the State has a right to a "sound basic education" and that the State has the responsibility to increase funding for New York City's public schools.
- New York City schools received Contracts for Excellence, or C4E, funds for the first time in the 2007-08 school year.
- These funds, under State law, must be distributed to certain schools and must be spent by those schools in specific program areas.

Contracts for Excellence (C4E) Requirements

1. Funds must support specific program initiatives.
 - > Class Size Reduction— *creating more classrooms or school buildings, assigning more than one teacher to a classroom, and other approved methods, to facilitate student attainment of State learning standards, with priority given to pre-K through grade 12 students in overcrowded schools, particularly those requiring academic progress, schools in need of improvement, schools in corrective action, and schools in restructuring status*
 - > Time on Task— *programs focusing on students who may require additional or increased individualized attention in order to raise achievement*
 - > Teacher & Principal Quality Initiatives— *programs supporting development & retainment of high quality teachers and principals for raising achievement in struggling schools*
 - > Middle & High School Restructuring— *instructional and structural changes in middle and high schools to support class size reduction and raise achievement in struggling schools*
 - > Full-Day Pre-Kindergarten Programs
 - > Model Programs for English Language Learners— *programs aimed at supporting schools in adopting “best practices” for raising achievement among English Language Learners*



Contracts for Excellence (C4E) Requirements (cont'd)

2. Funds must go to students with the greatest educational need.

English Language Learners

Students in Poverty

Students with Disabilities

Students with Low Academic Achievement or At Risk of Not Graduating

3. Funds must supplement, not supplant.

Expenditures made using C4E funds must “supplement, not supplant” funding provided by the school district; however, SED has provided guidance explaining that certain expenditures may be paid for with C4E funds even though these programs or expenditures were originally or have been typically paid for by the district or by other grants.

For new or expanded programs only*

Should be used towards meeting school’s overall educational goals as outlined in the School Comprehensive Educational Plan (SCEP)



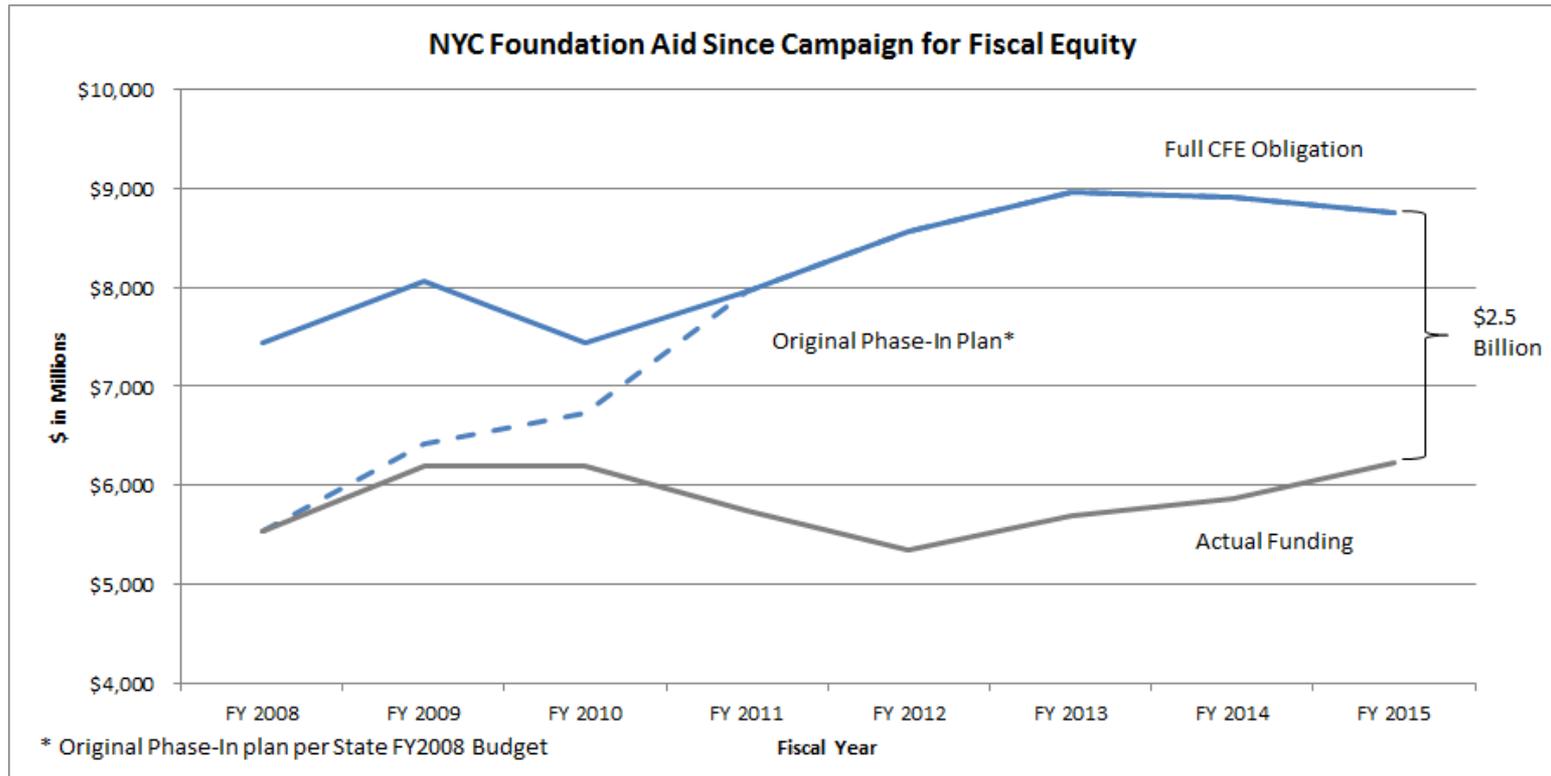
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*No new C4E dollars have been made available since FY10. NYCDOE is currently in Maintenance of Effort status.

Background – Campaign for Fiscal Equity (CFE) Shortfall

In FY 2015, the cumulative CFE shortfall since FY2008 will be \$15.1 billion



Instead of immediately meeting its full CFE obligation begun in 2007-2008, NYSED chose to phase in CFE funds; however after two years, the phase-in was discontinued. For each year after the second year, the funds provided were less than the amount of funds initially promised and we have been in a Maintenance of Effort status ever since. For FY 2015 the cumulative CFE shortfall to NYC DOE will be \$15.1 Billion, with the 2014-2015 school year underfunded by \$2.5 Billion.

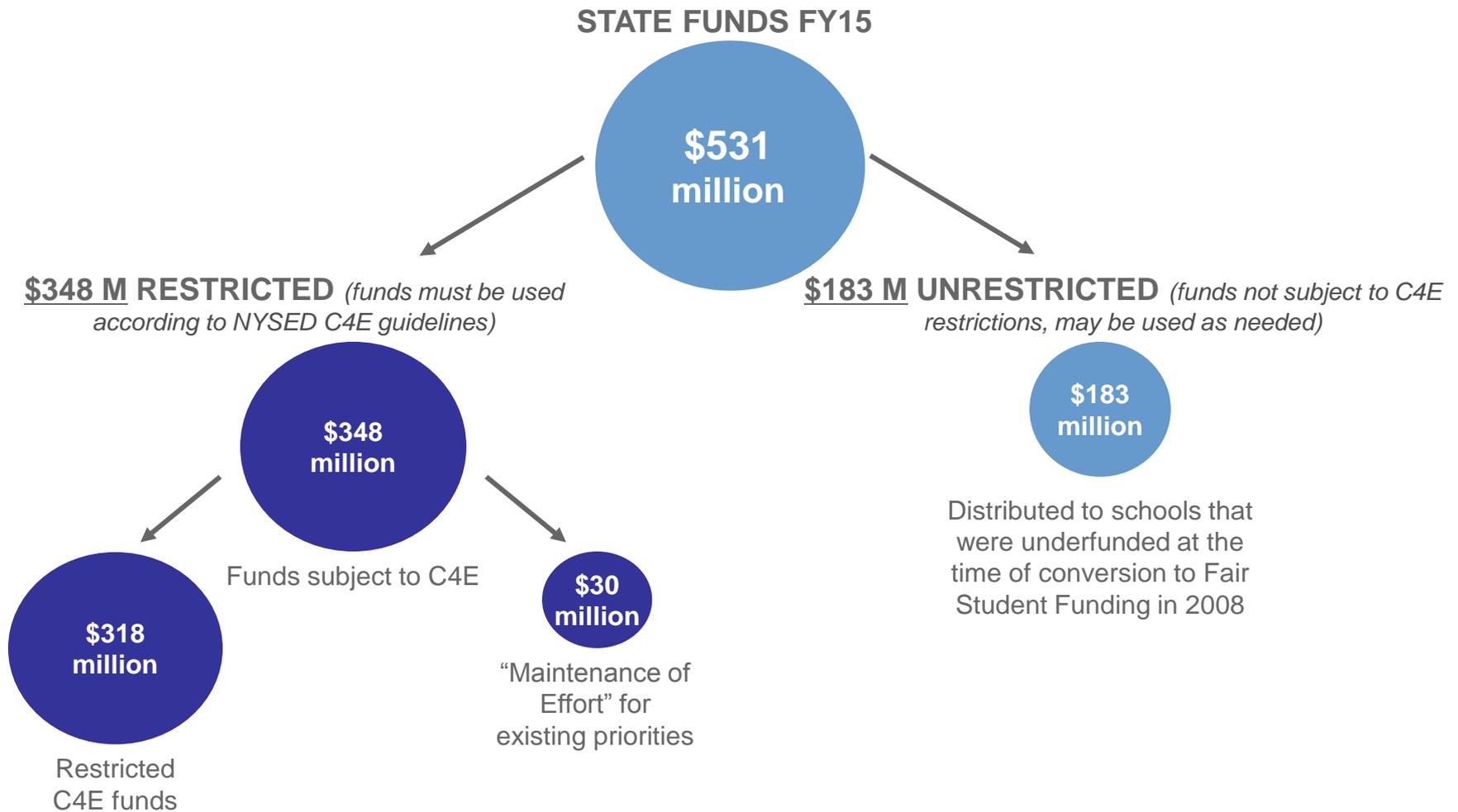


Contracts for Excellence 2014-2015

- The New York State adopted 2014-2015 Budget requires New York City to remain in the Contracts for Excellence program and to maintain funding for Contracts for Excellence programs at the same level required for the 2013-2014 school year.
- For the current year, FY15, there are no new Contract for Excellence funds to apply towards new or expanded programs.
 - NYCDOE is in “maintenance of effort” status, meaning that C4E funds will be used to maintain programs that were approved in prior years.
- The total C4E amount for FY15 is \$531 million, out of which \$183 million is embedded in Fair Student Funding, the primary funding source for schools. Fair Student Funding is allocated based on student educational attributes including ELL, IEP, academic proficiency, and poverty status. Details for Fair Student Funding can be found by visiting:
http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy14_15/AM_FY15_FSF1.html
The remaining \$348 million is distributed through school allocations and district-wide programs. This presentation represents the \$348 million.

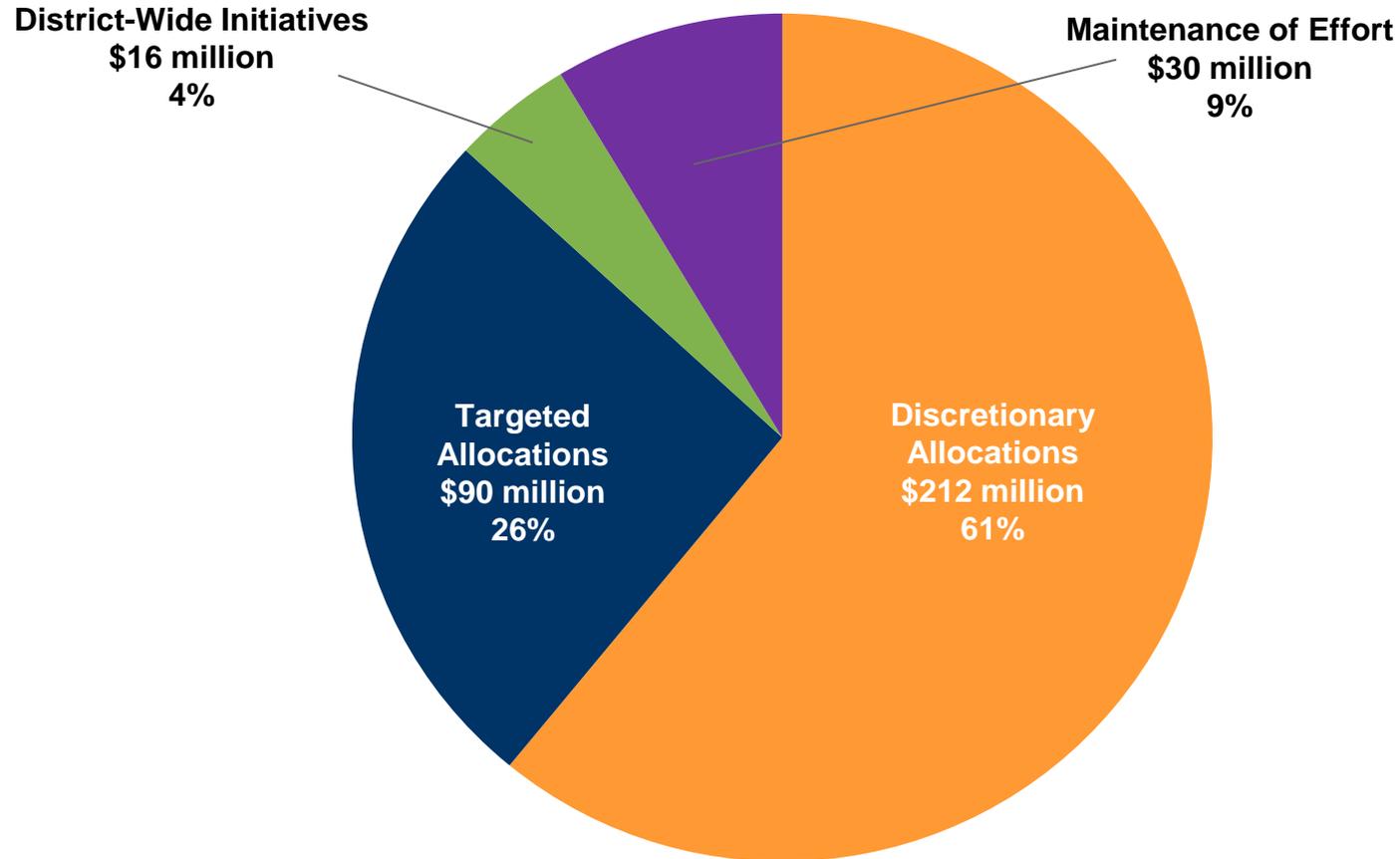


State Funding Breakdown



NYC's 2014-15 Preliminary C4E Plan

How We Propose to Allocate the \$348 Million Restricted Funds



The FY15 Contracts for Excellence allocations described in this plan are preliminary. Funds are subject to a public engagement process and approval by the State Education Department. Please note that distribution of all funds is subject to allocation guidelines as specified in State regulations.



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Discretionary Allocations to Schools

Amount	<p>\$ 212 million in restricted Contracts for Excellence funds were released to 1,400+ schools in June 2014.</p> <p>61% of total restricted Contract funds</p>
Use	<ul style="list-style-type: none">• Continuity of service for existing C4E programs.• However, if a school cannot maintain effort because of significant changes in its student population or its overall instructional strategy, it could choose to reallocate funds to a different allowable program area.



Targeted Allocations to Schools

Amount	<p>About \$90 million of C4E funds were targeted for specific programs. Schools receiving allocations were chosen based on a) overall student need and b) capacity to carry out the specific programs.</p> <p>26% of total restricted Contract funds</p>
Use	<p>Funds allocated by the DOE directly to schools for specific uses that are eligible within the C4E programs areas:</p> <ul style="list-style-type: none">▪ \$72 million – Integrated Co – Teaching Classrooms (ICT) <i>(Formerly Collaborative Team Teaching (CTT))</i>▪ \$9.4 million – Full-Day Pre-K▪ \$6.5 million – Autism Spectrum Disorder (ASD) Classrooms▪ \$2.3 million – ELL Summer School



District-Wide Initiatives

Amount	<p>\$16 million is our estimate in this category. While these funds will not appear on schools' budgets, the Department is required to attribute dollars to programs that support the neediest students as part of the DOE's citywide C4E plan.</p> <p><i>4% of total restricted Contract funds</i></p>
Use	<p>Funds allocated to Central programs that directly benefit high-need schools.</p> <ul style="list-style-type: none"> ▪ <i>\$6.7 million – Multiple Pathways to Graduation Initiatives (for over-age and under-credit students)</i> ▪ <i>\$7.1 million – Principal Training Initiatives</i> ▪ <i>\$1 million – College and AP Prep for High Need 9-12 Students</i> ▪ <i>\$75,500 – ELL Youth Institute</i>

Maintenance of Effort

Amount	<p>\$30 million</p> <p><i>9% of total restricted Contract funds</i></p>
Use	<p>The Department proposes to spend these funds to maintain summer programs impacting the students with the lowest academic achievement in the City.</p>



Class Size Reduction Planning

In light of the current federal and State financial constraints, it was necessary to re-evaluate the original five year Class Size Reduction Plan that was first introduced in 2007. That plan was predicated on an increase in Contract for Excellence funds year over year which has not been realized. After consulting with NYSED, a proposed amended Class Size Reduction Plan was presented for approval to NYSED.

On July 2, 2013, SED approved NYCDOE's amended Class Size Reduction Plan which focuses on a cross section of schools that have predominantly large class sizes and low student performance. NYCDOE is awaiting approval for the FY14 plan.

NYCDOE identified a list of 75 schools with:

1. High average class size in the previous school year (average of 26 students per class or higher),
2. Low student performance (NYCDOE Progress Report grade of C, D, or F as well as struggling schools),
3. A building utilization rate of less than 100 per cent.

For FY15, NYCDOE is committed to supporting these schools to help reduce class size and improve student performance.



Building Up To District and Citywide Plans

Currently, the DOE is required to submit a citywide C4E plan—which includes individual spending plans for each school receiving funds—by July 22 to the State Education Department (SED).

June 16 – July 16	Borough Meetings
July 19	Borough meeting public comment period ends
June 27 – Early July	DOE review of proposed school-level allocations Public comments incorporated into proposal
July 25	NYC C4E proposal due to SED Will contain <ul style="list-style-type: none">> District and citywide “roll up” of all preliminary allocations (discretionary, targeted, school support, maintenance of effort) by program area and strategy> For each school receiving preliminary C4E funds:<ul style="list-style-type: none">▪ Proposed spending by program area and strategy▪ Targeted student populations▪ Performance targets
September 8 – October 8	CEC public hearings

Public Comment

We will take public feedback into account in the coming months as we continue to develop a citywide Contracts for Excellence plan.

The deadline for submitting public comments will be **July 19th, 2014**.

The public may comment on any aspect of the plan, including:

- How schools are planning to spend their discretionary funds within the six allowable program areas
- How the DOE is allocating targeted Contract funds to schools
- How the DOE is allocating funds for District-Wide Initiatives
- NYC's Class Size Reduction plan
- The public comment process

Educators, parents, and all other members of the New York City community with feedback should e-mail us at ContractsForExcellence@schools.nyc.gov



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