



JOEL I. KLEIN, *Chancellor*

OFFICE OF THE CHIEF FINANCIAL OFFICER
52 Chambers Street, New York, NY 10007

SCHOOL ALLOCATION MEMORANDUM NO. 33, FY09

DATE: June 18, 2008

TO: **COMMUNITY SUPERINTENDENTS, INTEGRATED SERVICE CENTERS
AND SCHOOL PRINCIPALS**

FROM: Susan Olds, Executive Budget Director

SUBJECT: ASA for Centrally Funded Excess Staff

For the 2008-2009 school year, Principals will continue to have autonomy when selecting staff to fill vacancies in schools. Consistent with this autonomy, principals will have responsibility for the staff who are in their buildings. For this reason, schools are expected to self-fund excess staff.

In extraordinary circumstances, ASA for Centrally Funded Excess Staff (ASA/ CFES) will be used to fund excess staff when schools meet the criteria described below, which have changed from the current year guidelines. Principals are reminded that excessing is not a permissible way to deal with unsatisfactory teachers.

Guidelines for Receiving ASA for Centrally Funded Excess Staff Funds

Schools are eligible to receive ASA/CFES only if they meet *both* of the following thresholds:

Excess Reason Threshold

Schools will be eligible to receive ASA for Centrally Funded Excess Staff for a reduced number of reasons compared with the reasons that were available in Galaxy in school year 2007-2008. Schools will be *considered* for ASA for Centrally Funded Excess Staff funds only if one of the following excess reasons applies:

- *Grade Loss:* School must experience loss of grade from prior year (this information will be confirmed by the ISC)
- *Grant Funding:* Grant funding is ending or being reduced for reasons the school could not have anticipated;
- *Mandated IEP position no longer needed:* Applies only to Ed Para;
- *Register Loss:* School experiences a register loss of at least five percent when compared to the audited October 30, 2007 register.
- *Lead Teacher position no longer needed:* School elects to discontinue services of lead teacher.

If none of these reasons apply, a school will be expected to fund excess staff using its own funds.

Financial Guidelines:

In addition to complying with the excess reasons stated above, schools will need to demonstrate an inability to self-fund excess staff in order to receive ASA for Centrally Funded Excess Staff. Each school's budget will be considered in its entirety when assessing a school's ability to self-fund. The following guidelines will be used in this assessment:

1. Financial Indicators

- *Per Pupil* OTPS budget not to exceed: \$286
- *Per Pupil* Per Session budget not to exceed: \$141
- Paid coverage (Per Diem and Prep) budget not to exceed 8 days unless past history warrants more;
- The availability of excess staff in the school, whether centrally- or school-funded, will be considered as part of the school's resources for absence coverage; and
- F-status teachers only if the job cannot be done within license of excess teacher(s)
- Level of new funding received by the school in 2008-2009.

(Please see Addendum I for a list of allocation categories whose funds comprise the values in the first 3 bullet points above)

2. Scheduled vacancies must be inappropriate for proposed excess staff.

3. Non-teacher scheduled vacancies should support *existing* school programs only.

4. Any unscheduled balances will be reviewed to determine if they are appropriate to fund proposed excess staff, except that school budgets must also:

- Accommodate returns from leave and sabbatical;
- Accommodate Register Loss Set Aside.

5. Increases in the levels of support staff will be reviewed.

Staff Who Were Funded with ASA CFES in FY 08:

All staff who were funded with ASA CFES in FY 08, including those who were removed from school payrolls to serve in the Absence Teacher Reserve, must be re-evaluated for ASA CFES in school year 2008-2009. Schools will need to demonstrate compliance with the above guidelines before ASA Centrally Funded Excess Staff funds can be provided for these staff.

ASA for Centrally Funded Excess Staff is a loan to schools and is subject to repayment.

The impact of receiving ASA/CFES includes:

1. Schools with ASA/CFES funded staff will be restricted in the amount of ASA register growth they can receive.

2. Schools with ASA/CFES funded staff will still be required to fund the "register loss set aside" if applicable.

3. Schools with ASA/CFES funded staff will need to apply any mid-year adjustment increments to self-fund CFES staff.

4. Schools with ASA/CFES funded staff will be ineligible to participate in the Surplus Rollover Program unless the ASA/CFES is fully repaid.

5. Schools with ASA/CFES funded staff will have vacancies created throughout the school reviewed to determine whether ASA/CFES funded staff can be placed into these vacancies.

6. Schools with ASA/CFES funded staff will have all modifications reviewed to ensure that accruals that become available during the school year are applied to offset ASA/CFES funded staff costs whenever feasible. For example, accruals generated by staff retirement should be used whenever possible to offset ASA/CFES in lieu of other discretionary uses such as additional OTPS purchases. School budgets with ASA/CFES funds will be routinely reviewed to ensure accruals are applied to offset ASA/CFES whenever possible. Misapplication of accruals that could have been applied to reduce ASA/CRES may result in schools losing the privilege of automatic mod approval.

7. Teachers on schools Tables of Organization who are funded with ASA/CFES and who are not selected to fill a regular vacancy by the opening of school may be assigned as a full-time substitute in their school or another school in their district or superintendency, where the need for substitutes is greatest, until they are able to secure a regular position.

- Schools with ASA/CFES funded staff who are assigned as full-time substitutes in their school will have their per diem budgets reduced to help offset the cost these staff.

Please contact your ISC if you have questions regarding this SAM.

Addendum I. Allocation categories included in the calculation of financial criteria:

Allocation Categories
TL ASA FOR AA
TL Children First Funding / HS
TL Council for Unity
TL Fair Student Funding /HS
TL Fair Student Funding Incremental /HS
TL FSF General Hold Harmless /HS
TL Instructional Programs /HS
TL LONG TERM ABSENCE
TL Mid Year Hold Harmless
TL One-Time Allocations /HS
TL Purchased Svc Revenue School
TL School Operational Support
TL SUMMER