

Fair Student Funding & School Budget Resource Guide FY 2012

New York City Department of Education
Division of Finance
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Dennis M. Walcott, Chancellor

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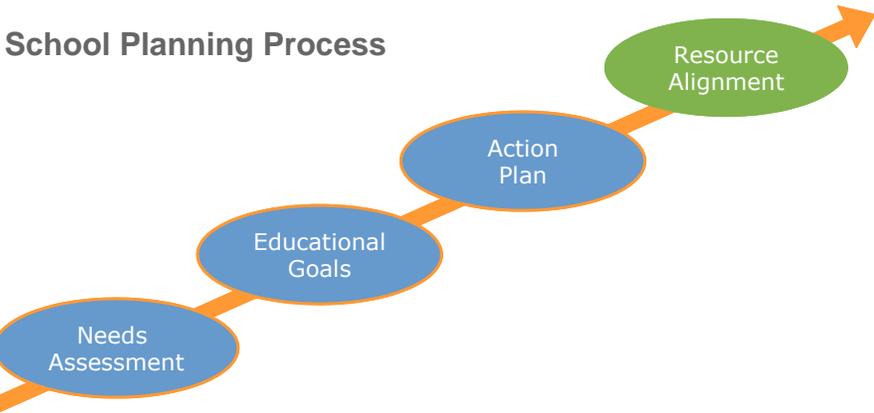
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9.1 Absent Teacher Reserve Subsidy Funding

CHAPTER 1: PROCESS AND PLANNING

School planning is crucial for schools to ensure that resources are used effectively to improve student achievement. Key steps each year include setting out the school’s and its leader’s goals and objectives and a plan to achieve them in the Comprehensive Education Plan (CEP), Principal Performance Review (PPR), and Quality Review self-evaluation.

The budget is the product of a collaborative process requiring a clear understanding of the school’s goals for improving student outcomes and its plans for achieving them.



The budget is subject to ongoing change throughout the year, in order to stay in alignment with school needs and staffing changes. Major changes in program plans or delivery models require that the CEP also be updated to align the school’s plans, actual program implementation, and budget.

1.1. Fiduciary Responsibilities of the Principal

The principal is the authorizing official for all budget, payroll, and purchasing transactions for the school. It is the responsibility of the authorizing official to approve only budget, payroll and purchases that support educational priorities or expenditures related to the “Business of Education.”

The principal must ensure that all expenditures are in alignment with allocated funding levels, and is responsible for resolving any over-expenditures and disallowances. Disallowances are expenditures which are not permitted under the guidelines of the program. When disallowances are identified, appropriate alternative funding must be identified within the school to pay for those costs.

As the authorizing official, the principal must follow program guidelines and regulations, have strong internal controls in place, and when designating such authority to only trusted and trained staff, be aware that he or she is ultimately responsible for all actions taken on their behalf by their designees.

Internal control is broadly defined as a process to safeguard assets utilized by DOE schools to educate students. Management and other personnel use internal control procedures designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding of assets;
- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

Principals should refer to the Office of the Auditor General (OAG) website for guidance and training:

<http://schools.nyc.gov/Offices/GeneralCounsel/OAG/TrainingProcess/default.htm>

All transactions should be fully documented and are subject to monitoring and audit by both internal and external control bodies such as the City and State Comptroller, State Education Department, Federal Department of Education, and private accounting firms contracted by the DOE or other oversight bodies to ensure proper controls.

1.2. School Leadership Teams

The principal is responsible for developing the school-based budget, after consulting with the School Leadership Team (SLT), and ensuring that it is aligned with the CEP. The SLT is responsible for developing the school's CEP and ensuring that it is aligned with the school-based budget. SLTs must use a consensus-based decision-making process. For details and guidance, refer to Chancellor's Regulation A-655 (<http://schools.nyc.gov/NR/rdonlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/82007/A655FINAL1.pdf>).

1.3. Children First Network Support and Approval

The Children First Network staff is ready to assist principals and their designees in the development of the initial budget and ongoing management of budget changes throughout the year. Children First Network budget liaisons are responsible for approval of all budget modifications submitted by principals or their designees on the Galaxy Table of Organization.

1.4. Role of Superintendents

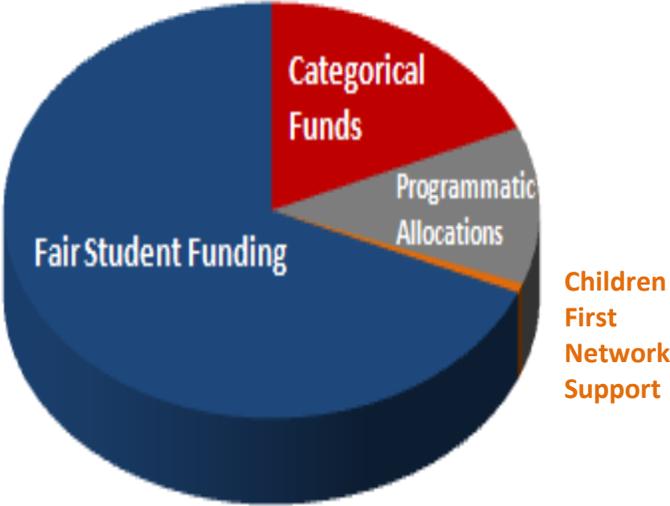
For each school in his or her jurisdiction, the community superintendent shall review the proposed school-based budget, the principal's written justification demonstrating that the proposed school-based budget is aligned with the school's CEP, and the SLT's comments on the principal's written justification, if any. For details and guidance, refer to Chancellor's Regulation B-801 (<http://schools.nyc.gov/NR/rdonlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/97060/B8011202011FINAL.pdf>).

CHAPTER 2: THE DEPARTMENT’S OVERALL BUDGET

2.1. How Are School Budgets Funded?

Below is a listing of major categories of school allocations. Each allocation is explained more fully in the School Allocation Memoranda (SAM) found on the Division of Finance’s website: <http://schools.nyc.gov/Offices/DBOR/AM/default.htm>.

Funding Streams to Schools



Fair Student Funding covers basic instructional needs and is allocated to each school based on the number and need-level attributes of students at the school, adjusted for the school’s funding percentage. All money

allocated through FSF can be used at the principals' discretion. See Chapter 3 and 4 for additional details.

Note: Schools in District 75 and programs in District 79 do not receive a Fair Student Funding allocation because of their differentiated models. They will continue to be funded under the same methodology.

Categorical Allocations:

- **State and Federal Categorical programs** are restricted by the State or Federal government on how they can be distributed to and used by schools. Examples include Title I, and other programs such as IDEA, Universal Pre-K, and Attendance Improvement/ Dropout Prevention. These programs are listed as Externally Restricted Programs in the SAMs.
- **Contracts for Excellence Funds** come from the State as a result of its commitment to increase funding to New York City. However, the original planned phase-in of increased dollars has not been realized. These funds must be allocated according to the State's indexing methodology. The funds must also be spent by schools according to the City's Contract for Excellence with the State. Refer to Chapter 7.

Programmatic Allocations:

- **Programs Not Consolidated** includes City initiatives that remain outside of Fair Student Funding because of their unique structure or priority, such as the parent coordinator initiative or new school start-up funds. These funds are often restricted and can only be spent on certain services. These programs are listed as Internally Restricted Programs in the SAMs.
- **Other Special Education Funds** pay for mandated special education support that supplements core classroom instruction services. These dollars are allocated in addition to the funds special education students receive as part of the Fair Student Funding allocation.

Children First Network Support Funds come from funds formerly controlled by field and central offices. These funds are allocated on a per-school basis. Schools will use these funds to purchase their Children

First Network Support Team services each year. Any remaining funds can be used at the principals discretion to best meet the needs of students.

2.2. Children First Funds

Schools are required to pay for services provided by their Children First Network. The level of support varies by network, but they all include instructional supports and coaching, help in using accountability tools, organizational and professional support, and other dimensions of support that relate to a school's educational mission and goals. Each Children First Network offers schools one-stop assistance with mandated and operational services related to human resources, payroll, budget and procurement, transportation, food, facilities, safety, extended use, grant management, technology, health, youth services and student suspensions, and some elements of special education.

Any remaining funding is flexible, and can be used by Principals to meet the needs of their students by buying academic intervention, professional development, textbooks, supplies, and other equipment.

The Department provides the following support services at no cost to the schools:

- **Accountability and performance evaluations:** The Chancellor and his team, including community and high school superintendents, hire and fire Department of Education employees. Community superintendents and high school superintendents perform all statutory duties for the schools in their districts and geographic areas, respectively. This includes appointing principals, acting as the rating officer for principals, reviewing and approving school budgets, and performing all other duties and responsibilities conferred by law. They also play a vital role in the Department's accountability initiative, working closely with the Division of Academic Performance and Support.
- **Compliance:** The Department monitors and supports schools in their efforts to comply with the myriad laws, regulations, and collective bargaining agreements to which all schools are subject. A compliance team, managed by the General Counsel's Office, ensures

that schools are in compliance through streamlined reporting and targeted support.

- **System-wide functions related to policy and resource allocation:** The Department of Education continues to make system-wide decisions, ensuring that all standards are rigorous and clear and services are of high quality. It also ensures that resources are allocated fairly and equitably, and implements student enrollment policies that are fair, in the best interest of students, and consistent Citywide.

For a comprehensive list of services provided by the Department, please see the Principals Portal homepage of the DOE Intranet at the following link: <http://intranet.nycboe.net/DOEPortal/Principals/default.htm>

2.3. Information on Other Funding Streams

2.3.1. School Allocation Memoranda

Detailed information on each funding stream's purpose, allocation methodology and spending restrictions can be found online on the Department of Finance website under the School Allocation Memorandum (SAM) section: <http://schools.nyc.gov/Offices/DBOR/AM/default.htm>.

2.3.2. Reimbursable Handbook

The Reimbursable Handbook was designed as a tool to assist principals and School Leadership Teams in the appropriate use of reimbursable dollars. The overarching prerequisites of reimbursable funding are:

- Expenditures must support the purpose for which the funding was allocated.
- Funds must supplement, not supplant.

The Reimbursable Handbook can be found online at:

<http://intranet.nycboe.net/DOEPortal/Principals/MySchool/Financial/default.htm>.

CHAPTER 3: FAIR STUDENT FUNDING BACKGROUND

Fair Student Funding aims to achieve three major goals:

Improve student achievement: School leaders and communities know best what their schools need for their students to achieve. Fair Student Funding eliminates restrictions on dollars and gives schools more opportunity to make the best choices for their students. Fair Student Funding provides financial incentives for schools to enroll struggling students—and rewards schools when they succeed in improving student results by not taking away the funds that would otherwise be reduced due to student improvement.

Move toward equity: To preserve support for 2010-2011 instructional programs, new City tax levy funds allocated to the DOE in FY12 will be used to backfill the Federal Stimulus Funding streams which have ended. Most of the new City tax levy funds (i.e., restoration funds) will be included in schools FY12 FSF allocations. In cases where adding restoration funds would result in total school FSF allocations that are above the revised formula, the funding over the formula will be put into a new allocation category called “TL Funds over Formula.”

Make school budgets more transparent: Fair Student Funding enabled the elimination of many complex funding streams, providing most funding to schools in a single, simplified budget allocation. While Fair Student Funding continues to be reviewed and updated as needed, it serves as a strong vehicle for improvement over time.

3.1. The Basics: A Fair and Transparent Way to Fund Schools

Fair Student Funding is based on simple principles:

- School budgeting should fund students fairly and adequately, while preserving stability at all schools;
- Different students have different educational needs, and funding levels should reflect those needs as best as possible;
- School leaders, not central offices, are best positioned to decide how to improve achievement; and
- School budgets should be as transparent as possible so that funding decisions are visible for all to see and evaluate.

In keeping with these principles, Fair Student Funding means that:

- Money will follow each student to the public school that he or she attends;
- Each student will receive funding based on grade level;
- Students also may receive additional dollars based on need;
- Principals have greater flexibility about how to spend money on teachers and other investments—with greater responsibility for dollars and greater accountability for results; and
- Key funding decisions will be based on clear, public criteria.

3.2. Gradual Implementation to Preserve Stability

We need to drive more resources into schools that aren't getting their fair share of funds and encourage all schools to perform better. However, we also need to protect what's already working. That's why changes to Fair Student Funding have continued to be implemented gradually.

Since its inception, Fair Student Funding continues to provide a flexible vehicle for public feedback and improvement over time. We have made tradeoffs and tough decisions transparent and have provided extensive data about schools' funding in a more accessible form. We are committed to improving Fair Student Funding in the coming years through input from principals, teachers, parents, and school communities.

The realization of Fair Student Funding has been hampered by the recession and the unrealized promise of funds from the Campaign for Fiscal Equity. Looking ahead, all future plans and funding commitments continue to be contingent on adequate State and City funding.

Aside from formula changes, schools may still face funding reductions because of changes in programs outside Fair Student Funding, changes in enrollment, or loss of grant funding.

CHAPTER 4: FAIR STUDENT FUNDING FORMULA

The Fair Student Funding formula allocates dollars to schools through four basic categories:

- Foundation—a fixed sum of \$225,000 for all schools;
- Grade weights, based on student grade levels;
- Needs weights, based on student needs; and
- Enhanced weights for students in “portfolio” high schools.

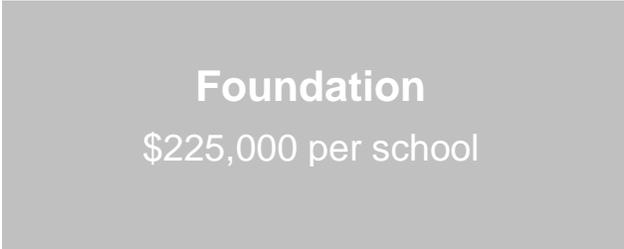
Why These Weights?

Fair Student Funding weights are always adequate for schools to meet legal and policy requirements. Beyond that, these weights reflect evidence-based judgments about the fairest levels of funding for students across New York City. In particular, the weights are designed to do two things:

- Meet the needs of students with higher grade weights and students who need the greatest support; and
- Reflect fair, objective criteria that can be applied evenly across New York City.

The weights are designed to provide the fairest level of funding for every child’s education.

4.1. Foundation



Policy

All schools receiving Fair Student Funding, regardless of registers or type, will receive a lump-sum foundation of \$225,000. The dollars are not tagged to particular positions so that schools, rather than central administration, determine whether they need more or less core administrative staff, teachers, or other services. Schools can finance additional administrative staff using resources from the per-student allocations, and other allocations, such as parent coordinators; and other programmatic supports provided on a per-school basis, such as IEP teachers.

4.2. Grade-Level and Need Weights for FY12

The grade-level and need weights and associated per capita amounts for FY12 appear on the chart on the next page. For FY12, \$25.59 is added per 1.00 student weight to the amounts indicated, for teacher salary growth. Funding for teacher salary growth is added to the school’s formula calculation after all grade-level and need weights have been totaled.

Grade-Level and Need Weights for FY12

Type of Pupil/Need	Weight	Grade Span	FY11 Per Capita	FY 12 Per Capita (Includes Funding for Teacher Salary Growth)
Grade Weight General Education	1.00	K-5	4,059.71	4,085.30
	1.08	6-8	4,384.82	4,412.46
	1.03	9-12	4,181.11	4,207.47
Grade Weight Special Education	1.00	K-5	4,059.71	4,085.30
	1.08	6-8	4,384.82	4,412.46
	1.03	9-12	4,181.11	4,207.47
Academic Intervention	0.12	Poverty (Schools with Entry Grades Earlier than Grade 4)	487.17	490.24
	0.40	4-5 Well Below	1,623.47	1,633.71
	0.25	4-5 Below	1,014.41	1,020.81
	0.50	6-8 Well Below	2,030.88	2,043.69
	0.35	6-8 Below	1,420.80	1,429.75
	0.40	9-12 Well Below	1,623.47	1,633.71
	0.25	9-12 Below	1,014.41	1,020.81
English Language Learner	0.40	ELL K-5	1,623.47	1,633.71
	0.50	ELL 6-8	2,030.88	2,043.69
	0.50	ELL 9-12	2,030.88	2,043.69
Special Education Needs Weight	0.56	<20% SETSS	2,273.69	2,288.02
	0.68	20% to 60% Multiple SETSS & Part-Time ICT	2,761.34	2,778.75
	1.23	Self-Contained K-8 Filled Seats	4,992.86	5,024.32
	1.23	Self-Contained K-8 Unfilled Seats	4,992.86	5,024.32
	0.58	Self-Contained 9-12 Filled Seats	2,371.21	2,386.16
	2.28	ICT Kindergarten Filled Seats	9,256.14	9,314.48
	2.28	ICT Kindergarten Unfilled Seats	9,256.14	9,314.48
	1.90	ICT 1-5 Filled Seats	7,713.45	7,762.07
	1.90	ICT 1-5 Unfilled Seats	7,713.45	7,762.07
	1.90	ICT 6-8 Filled Seats	7,713.45	7,762.07
	1.90	ICT 6-8 Unfilled Seats	7,713.45	7,762.07
2.10	ICT 9-12 Filled Seats	8,525.40	8,579.13	
Portfolio Schools	0.26	CTE - Nursing	1,055.57	1,062.22
	0.17	CTE - Health/Trade/Tech	690.34	694.69
	0.12	CTE - Business	486.63	489.70
	0.05	CTE - Home Economics/Arts	202.68	203.95
	0.25	Academic	1,014.41	1,020.81
	0.35	Audtion	1,420.80	1,429.75
	0.40	Transfer	1,623.47	1,633.71

4.2.1. Grade-Level Allocations

Policy

Every student receives a grade weight determined by his or her grade level:



Elementary school students are the keystone to the Fair Student Funding formula, with the weight projected to cover the cost of basic school services. The elementary school weight is set at the primary weight of 1.00, and it serves as the starting point for the calculation of all of the subsequent Fair Student Funding weights.

Middle school students carry the largest weights due to their high drop-offs in student achievement, as well as higher teacher-cost factors. The percentage of students at or above grade level on the 2010 State ELA and Math exams was almost 29 percent lower for 8th graders than for 5th graders (27% dual subject passage rate for 8th graders vs. 38% dual subject passage rate for 5th graders). As middle schools program by subject area, 1.4 middle school teachers are needed to cover each class, compared to 1.2 for elementary school classes.

Students in *grades 9–12* are weighted at a slightly higher level than grades K–5 for several reasons: older students tend to have higher costs for non-personnel (such as more costly science materials); they often take electives that break into smaller classes; and their schools often require more administrative personnel. This approach is consistent with our historic funding practices and with practices in other cities.

Eligibility

All students receive Fair Student Funding dollars through grade-level weights.

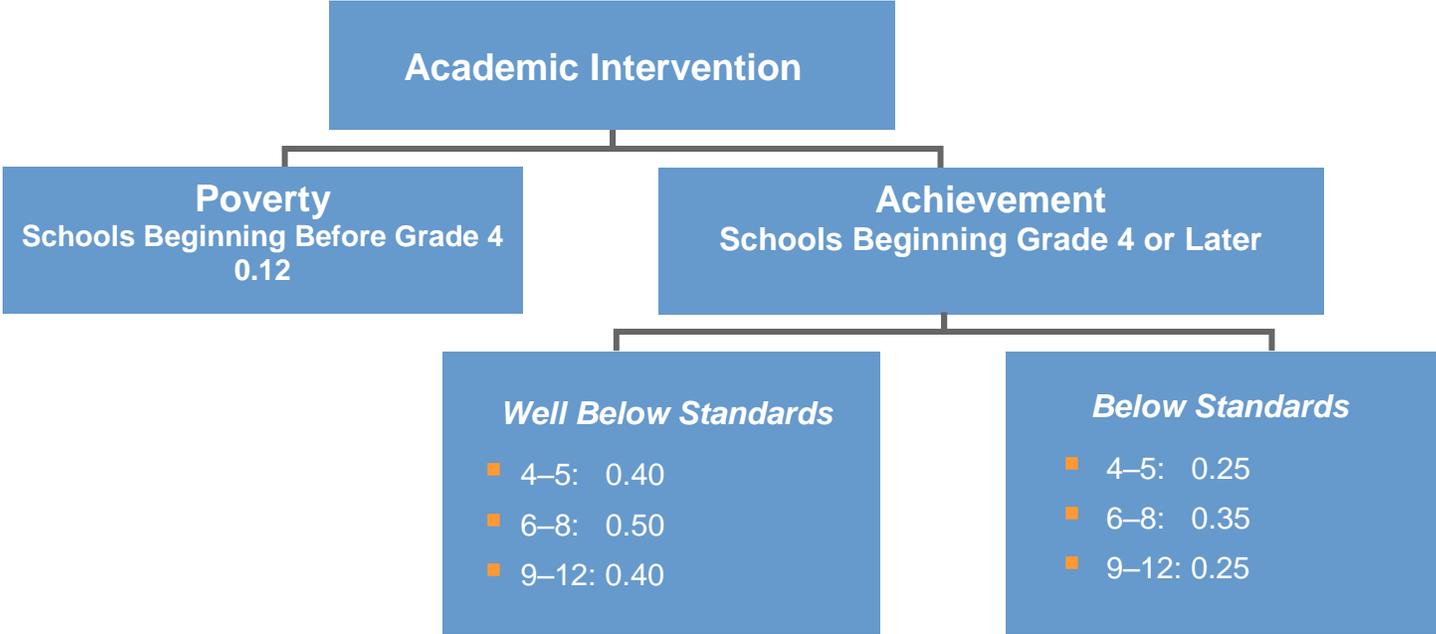
Schools with non-traditional grade configurations receive their base weight funding in more than one category. For example, a K–8 school receives the K–5 weight for the K–5 grades and a 6–8 weight for the 6–8 grades. A 6th grader carries the same weight whether at a 6–8, a K–8, or a 6–12 school.

4.3. Needs-Based Allocations

In addition, students are eligible for needs-based weights for the following characteristics:

- Academic Intervention, based on:
 - Poverty for schools beginning before 4th grade
 - Poverty is used to estimate academic need when test results are not available
 - Student achievement upon entry for schools beginning in 4th grade or later
- English Language Learner status,
- Special Education, and
- High School Portfolio.

4.3.1. Academic Intervention



Policy

Additional funds are targeted to students at the greatest risk of academic failure. This approach is consistent with a large body of research showing that students who are struggling in school require additional supports to succeed.

In general, we believe that the best way to identify students with greater need is to look at their past achievement. Therefore, to the extent possible, we will rely on student achievement data—State Math and English Language Arts exam results—to identify students eligible for additional funding. We will provide additional funding to schools with struggling students.

At the same time, funding students based on their test results could create unintended consequences. For example, if two schools enroll students with low levels of achievement, and one school achieves great results and the other does not, a system that bases funding on student test scores will cut

funding for the school that achieved great results, which would be counter-productive.

Based on these considerations, the Department has adopted the following policies:

- Students receive additional weights based on their achievement at *entry* to a school. A school will receive additional funding for enrolling struggling students, but will not lose money for success in educating them.
- Students who attend a school funded with the achievement weight (instead of the poverty weight), but did not enter the school with test score data (i.e., they transferred from another state or country), can receive the weight based on special “missing score” eligibility criteria.
- As the regular citywide first testing occurs in 3rd grade, we can use test data only for schools starting after that grade (i.e., in 4th grade or later). A proxy for low achievement is used for schools beginning before 4th grade, although it still is only an estimate of need. This weight is being adjusted for FY 2012 to align with the latest indications of academic need based on the updated state “cut” test scores.
- ***New for FY12:***
The Fair Student Funding Academic Intervention Poverty Weight will change from .24 to .12 and the methodology used to count pupils as proficient will be revised to reflect New York State Education Department’s (NYSED) re-scaling of test scores. The change will look at all students currently enrolled in a school and recalculate what their proficiency would have been at the time of entry using the new state rescaling. As a result, schools will receive FY12 funding for these pupils based on this change.

Eligibility for Poverty Weight

Students enrolled at schools that begin before grade 4 (e.g., all K–5, K–8, and K–12 schools) qualify for the poverty weight if they also qualify for free lunch (according to ATS lunch form data) and/or receive public assistance (according to data provided by New York City’s Human Resources Administration). These are also the criteria for Title I eligibility.

The poverty student count used in the FSF formula represents the previous year's poverty data as of December 31, for the students on a school's prior year register on October 31.

The poverty rate is based on the number of free lunch eligible pupils divided by student enrollment. Pupils are deemed free lunch eligible if there is a completed free lunch form for the child or the student is receiving public assistance that has the same or lower income requirement as free lunch (TANF and food stamps). Student enrollment is based on the October 31st register, which is audited by Office of the Auditor General. Data for such students can be updated through December 31.

At Universal Free Lunch (USM) schools, the poverty percentage for the school is established in the base year that the school enters the USM program. The school is locked into that percentage for the next three years. For these schools, that percentage is multiplied by the total number of students on the previous year's school registers at the school by the school's locked in poverty percentage. Schools receive the poverty weight for all eligible pupils regardless of whether the school meets the Title I cut-off.

Eligibility for Achievement Weight

At schools beginning in 4th grade or later (e.g., all 6–8, 9–12, and 6–12 schools), students receive additional weights based on their achievement upon entering the school. There are two funding levels—a higher achievement weight for students “Well Below Standards,” and a lower one for students who are below grade level, but closer to proficiency (“Below Standards”). As with the grade-level weights, these intervention weights are higher in grades 6–8 than in grades 9–12. Qualifying English language learners and special education students are also eligible to receive these academic intervention weights.

Students are considered “Well Below Standard” if they:

- Score Level 1 (“Not Meeting Learning Standards”) on both the State’s English Language Arts (ELA) and Math exam;
- Score Level 1 on the ELA exam and Level 2 (“Partially Meeting Learning Standards”) on the Math exam; or
- Score Level 2 on the ELA exam and Level 1 on the Math exam.

Students are considered “Below Standards” if they:

- Score Level 1 in Math or ELA and do not fall within the categories in the first tier on the other exam (e.g., students who score Level 1 in Math and Level 3 or 4 in ELA); or
- Score Level 2 on both the State’s ELA and Math exam.

In circumstances where one or more scores for a student are missing:

- Students who score Level 1 in ELA or math with a missing score in the other subject will be considered “Well Below Standards.”
- Students who score Level 2 in ELA or math with a missing score in the other subject will be considered “Below Standards.”
- Students who have no scores will be weighted in proportion with the rest of the school. For example, if a school with 10% of students who are “Well Below Standards” and 20% “Below Standards” has 10 students missing scores when they enter, the school will receive a “Well Below Standards” weight for one of those students and a “Below Standards” weight for two of those students.

Scores are based on the last result before the student enters his/her current school.

4.3.2. English Language Learners

English Language Learner

- K–5: 0.40
- 6–8: 0.50
- 9–12: 0.50

Policy

Experts recognize that English Language Learners (ELL) have higher educational needs. ELLs who have become proficient in English graduate at higher rates than all other students—more than 60 percent—while more than half of ELLs who never become English proficient drop out of high school.

Funding for ELLs will be determined by grade level: a K–5 weight, a 6–8 weight, and a 9–12 weight. Students in higher grades will receive additional resources for two reasons: as students age, the state requires them to receive additional periods of specialized education; and it is more developmentally difficult for older students to master a new language.

Incentives To Improve Achievement:

The FSF weights encourage success by allowing schools to get or keep resources when they are successful at improving student achievement:

- > The academic intervention weight gives more money for enrolling low-achieving students. Schools keep weighted funds when students improve.
- > Funding generated by the ELL weight stays in the school the year a pupil scores at a certain level of proficiency in English on the New York State English as a Second Language Achievement Test (NYSESLAT).

ELL students are fully eligible for the academic intervention weight.

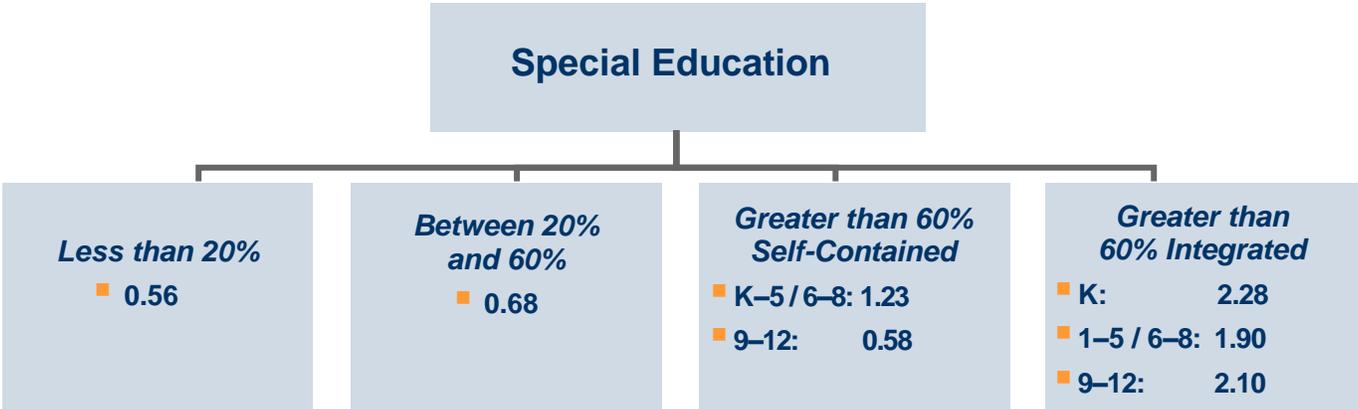
The current ELL weight incorporates the former state Limited English Proficiency Program.

Eligibility

Students who are identified as ELLs, as determined by the prior year’s Home Language Survey and the NYSESLAT, are eligible for this funding.

The February register data from BESIS survey (as of the October 31 audited data) generate the ELL funding for the initial budget release.

4.3.3. Special Education



Background

Fair Student Funding gradually shifts funding for special education away from funding per *class type* and toward funding for *student needs*. In doing this, FSF aims to help reinforce that:

- **Special education students are a wholly integral part of a school, not a separate subset of students.** FSF aims to eliminate the view of special education as strictly prescriptive, immovable, and segregated

from the kinds of innovative thinking that occurs in general education.

- **Special education students are also eligible for poverty, ELL and academic intervention weights.** Funds generated from these weights should be used in addition to the special education weights to support the needs of special education students.
- **The full continuum of services is available to serve students:** Schools receive per-student funding based on the number of periods a day that a student requires special education services, rather than funding based on a specific service delivery model. This should increase schools’ flexibility to develop service delivery models or a combination of models tailored to meet the individual needs of the students.

Policy

Schools will receive per-student funding based on the number of periods a day that a student requires special education services. Fair Student Funding will cover only special education classroom services in non-District 75 schools.

While promoting innovation and flexibility, the Department is committed to providing all services required by a student’s Individualized Education Program (IEP).

NOTE: Fair Student Funding does not impact District 75, related services (including mandated speech and counseling services), IEP teachers, IEP paraprofessionals and adaptive physical education teachers, assistive technology, and other special education programmatic allocations. Schools are provided with additional allocations outside of FSF for these needs.

Schools Receiving “Class” Allocations

For self-contained and Integrated Co-Teaching (ICT) students in designated elementary and middle schools only, the Department will initially allocate and fund a full class in anticipation of greater classroom utilization after the start of the school year. This means that special education classes in designated schools will be funded for a full “class.” Such schools will be funded for “filled seats” and “unfilled seats.”

For FY12, ICT classrooms in grades K-5 are fully funded at 10 seats, ICT classrooms in grades 6-8 are fully funded at 11 seats, and self-contained classrooms are fully funded at 12 seats. K-8 classrooms will receive unfilled seat funding equal to the corresponding per capita for each seat below these thresholds.

Schools must be sure to open fully-funded classes in ATS as soon as possible to ensure proper funding when register data is audited and allocations are revised in February 2012 for the mid year adjustment. Classes must have the proper ATS coding indicating whether it is a self-contained or ICT class. Funding will be removed from schools that do not open allocated classes. Schools will be adjusted as of December 31, for special education classes and seats.

In conjunction with the FSF needs adjustment, the grade weight will also be adjusted based on the audited October 31 registers for general and special education students. A second adjustment will be applied to the grade weight for increases in total enrollment between October and December stemming from an increase in special education registers.

The Fair Student Funding formula generates sufficient resources to support the classroom/basic paraprofessional in a 12:1:1 self-contained setting. No additional funding will be provided.

Special education students also are eligible for the poverty, ELL, and academic intervention weights. Therefore, significant resources will be available to fund the needs of these students.

New for FY12:

- The *Self-Contained weight* for grades 9-12 will change to support classrooms of 15 pupils instead the current 12 pupils.
- *Integrated Co-Teaching* weights for all grades except kindergarten will change to reflect classrooms of 12 special education pupils rather than 10 pupils in the previous-years' FSF weight. These changes are within state and collective bargaining guidelines, and better align funds with student IEPs and historical school practice.
- Schools designated to receive special education class funding can view registers and the number of classes allocated to the school on the bottom of the Principal's Portal "My Budget" page at <http://intranet.nycboe.net/DOEPortal/Principals/MySchool/Financial/default.htm>

-

Eligibility

The table below provides a summary of the types of services that map to each category of special education funding:

FSF Category	Examples of Services
Less than 20%	Special Education Teacher Support Services (SETSS)
Between 20% and 60%	Multiple SETSS, Part-time Integrated Co-Teaching (ICT)
Greater than 60% Self-contained	Self-contained students including 12:1, 12:1:1 and 15:1
Greater than 60% Integrated	ICT

Detail on Policy:

- **In Greater than 60% categories**, funding is given as “filled” and “unfilled” seats. By funding schools upfront for the cost of an ICT or self-contained class, even though the special education register for the class has not reached the maximum number of special education students, it is possible for schools to hire teachers when doing the rest of their budget planning.
- **Schools may receive an upward or downward modification to their special education class allocations weekly throughout the summer.** OSE will work with schools throughout the summer and when schools begin in September to determine whether the class configurations initially funded are the most appropriate ones given the needs of the students at that school and the overall needs of the district. Schools are expected to open all classes authorized by OSE. Funding will not be allocated for unauthorized classes.
- **ICT classes must be programmed in line with class size requirements.** Schools must organize ICT classes with the requisite number of general education students to allow placement of special education students up to the maximum allowable. Regardless of the number of students an ICT class starts with at the beginning of the year, classes must be programmed with the full complement of

general education students in line with the contractual class size for general education classes at grade level, leaving seats for up to 12 students with IEPs. Kindergarten classes can have a maximum of 25 students.

4.3.3.1. Phase-In Process Focusing on the Advancement of Student Learning and Achievement

Consistent with our systemic effort to significantly improve academic achievement and outcomes for students with disabilities, the Department of Education is implementing a Phase-In Process Focusing on the Advancement of Student Learning and Achievement. Schools in Phase I of this Phase-In are working to serve the overwhelming majority of students with disabilities in the school's zone or coming to the school through choice.

In collaboration with parents, and through the IEP process, these schools are refining instructional programs for students with disabilities by taking a fresh look at the strengths and needs of students. Schools in Phase I are focusing on working toward students' long-term educational goals, educating students with disabilities along side their non-disabled peers, and developing focused recommendations for services that are targeted to student achievement. Schools will use adult and student time differently, and use different groupings of students throughout the day.

The Special Education Reform announcement stated that "we will revise funding formulas so that dollars will follow students, instead of basing funding on seat structures or classroom setting." For Phase 1, overall funding for schools will remain consistent with funding for schools system-wide, including mid-year adjustments to Fair Student Funding. We will, however, make the following adjustments consistent with the goals of the reform:

- Supplementary funding will be provided for students in Phase 1 schools that are programmed to receive services for 20-60% of the school day so that it is comparable to the funding for students in full-time self-contained settings. This supplementary funding will incorporate the reductions to Fair Student Funding (FSF) as described in SAM #1.
- To assist schools with the transition from class allocation funding to per-capita funding, transitional funding will be allocated for the Phase I schools that received funding for full

classes in the past (in other words, those that received funding for “unfilled seats”), based on the following methodology:

- Since Phase 1 schools received per-capita projections instead of class projections for FY11 and FY12, the FY10 actual register for schools (post mid-year adjustment) is the basis for the FY12 unfilled seat transitional funding calculations. Schools that joined a Phase 1 network during the 2010-11 school year will have their FY11 unfilled seats used as the basis for the FY12 unfilled seat transitional funding allocation. In addition, this allocation incorporates the reductions to FSF described in SAM #1.
 - Schools that are projected for a greater or equal number of pupils (filled seats) than their FY12 actual registers (filled plus unfilled seats) will not receive an allocation.
 - Schools with projected special education register growth will receive an allocation for their unfilled seats less the number of students attributed to register growth. These unfilled seats will be multiplied by the FSF funding rate for either greater than 60% self-contained or greater than 60% integrated.
 - Schools with projected special education register loss will receive an allocation for the unfilled seats, but not for their filled seat register loss. These unfilled seats will be multiplied by the FSF funding rate for either the FSF category “greater than 60% self-contained” or “greater than 60% integrated”.
 - Schools that are phasing out will receive an allocation calculated on their FY12 total projections (rounded off) to absolute class totals for each self-contained (12 students per class) and ICT (10 students per K class; 12 students per grades 1 through 8 class).
- These funds will appear in the allocation categories: ***TL Phase I SE Transitional Funding or TL Phase I SE Transitional Funding HS***. These allocation categories may only be scheduled to support the following two Galaxy titles:
 - TEACHER - LEAD SPECIAL ED

- TEACHER - SPECIAL ED (LINE 3101)

Programmatic information and support for this initiative is provided by Division for Students with Disabilities and English Language Learners.

4.4. High School Portfolio

Policy

At the high school level, we provide students with a portfolio of different education models. Students attending these schools will continue to be eligible for additional funding. Portfolio categories for the 2011-2012 school year are:

- Career and Technical Education;
- Specialized Academic;
- Specialized Audition; and
- Transfer.

Eligibility

Career and Technical Education (CTE): All students are engaged in sequences of instruction that integrate rigorous academic study with workforce skills in specific career pathways. The weight does not include comprehensive high schools with CTE courses or career-themed schools with no formalized CTE programs.

Students will be funded according to a four-tier structure recommended by the Office of Career and Technical Education as follows (a more detailed listing appears on the next page):

- Health (Nursing only)
- Health / Trade & Industry / Technical Education
- Business
- Home Economics and Fine & Performing Arts

- The tiered structure of the CTE funding reflects the relative cost factors necessary to operate different CTE programs of study. The significant factors reflected in this structure are: class size requirements, equipment and materials, industry training for teachers, and start-up costs. Tier 1 and 2 programs require significantly lower class size, industry specific equipment and highly specialized and ongoing industry training.
- The weights assigned to the remaining tiers account for the proportional class size requirements, the level and frequency of industry training required and the nature of the equipment and materials for the programs in each tier. The tier 3 and 4 programs do not have significant class size requirements, but still incur equipment and material costs, as well as ongoing industry training needs, that are more significant than traditional schools.
- The simple Tier definition labels on the previous page do not adequately capture the range of program pathways encapsulated in each tier. Further explanation is summarized below and detailed program level information can be provided by Office of Career and Technical Education.

Tier 1 Programs	Tier 2 Programs	Tier 3 Programs	Tier 4 Programs
Nursing	Architecture & Construction: Technical pathways	Architecture & construction: pre-design and design pathways	Arts, AV, Technology & Communications pathways
Agriculture & Veterinary	Health Science (pathways other than nursing)	Commercial Arts	Business pathways
Aviation Technology	Computer networking and repair	Engineering	Management & Administration
	Cosmetology	Law enforcement	Finance
	Automotive technology and repair	Hospitality & Tourism	Marketing, Sales, Services
		Information Technology relating to business	Media & communications (including some graphics pathways)
			Policy
			Education
			Journalism
			Law studies

Specialized Academic: This category continues to capture academically challenging high schools that have been funded at a higher level in the past.

Specialized Audition: All students within the school participate in the equivalent of a five-year sequence through two double periods daily of study in their art form.

- Students in these schools are admitted through a screening process that involves a performance audition or a portfolio review.
- Students take and pass a Comprehensive Exit Exam in the art form of choice in grade 12 and receive the Arts Endorsed Diploma.

Transfer: Small high schools designed to re-engage students who have dropped out or are over-age and under-credited for grade, as identified by the Office of Post-Secondary Readiness.

4.5. How Students Are Counted

4.5.1. Grade and Special Ed Weights: Projected Enrollment

Principals review the projected register developed for their schools by the Office of Student Enrollment (OSE), and have an opportunity to appeal the projected registers based on their own data, each spring. The projected registers and appeal process is done in a web-based register tool. The outcome of this annual process yields the register projections for each school that are the basis for funding of general education and special education students.

4.5.2. Need Weight Registers

The Academic Intervention and ELL weight are based on test score data for pupils from the prior year. Principals expressed a strong preference for avoiding downward adjustments on difficult to predict characteristics.

4.6. Mid-year adjustments

4.6.1. Final Mid-year Adjustments

Mid-year adjustments will be made for grade-level and portfolio weights based on audited October 31. For special education needs, either October 31 or December 31 data, is used, as noted in the following chart:

Data Sources for the MidYear Adjustment

Registers used for the midyear adjustment are net of long term absent pupils (LTAs).

FSF Weight Category	School Type	Based on Audited 10/31/2011 Registers	Based on 12/31/2011 Registers
Grade Weight			
	Elementary (Grades K-5)	X	
	Middle School (Grades 6-8)	X	
	High School (Grades 9-12)	X	
Special Education Needs Weight			
	Less than 20%		
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)		X
	between 20% and 60%		
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)		X
	>60% Integrated and Self-Contained		
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)	X	
Portfolio Weight			
	High School	X	

The Additional Spending Authority (ASA) loan program for register growth and set aside process for register loss will continue in anticipation of this mid-year adjustment for general education and special education.

Adjustments are taken by multiplying the net change in register by the per capita associated with the weight, based on the FSF factor by which a school is funded:

- At-formula and above schools: 100% up and down; and
- Under-formula: 100% up and percentage under formula down.

An example of the mid-year adjustment calculation for an under-formula elementary school losing register appears on the next page.

Sample Mid-Year Adjustment Calculation for an Under-formula Elementary School Losing Register

Sample	Weight	Per Capita	Projected Register	Audited Register	Change	Net Impact
K-5 grade	1.00	\$4,060	700	688	-12	(\$48,720)
SPED <20%	.56	\$2,274	30	35	5	\$11,370
SPED 40%-60%	1.23	\$2,761	40	30	-10	(\$27,610)
			FSF Mid-year Adjustment Subtotal =			(\$64,960)
$[(1.0 \times -12) + (.56 \times 5) + (1.23 \times -10)] \times \$25.59 =$			Adjustment to Funding for Teacher Salary Growth			(\$348)
			Sub-total			(\$65,308)
			Fair Student Funding Percentage			92%
			Final Mid-year Adjustment =			(\$60,083)

Note: The "Fair Student Funding Percentage" for the FY12 mid-year adjustment can be found on the Fair Student Funding School Overview page at <http://schools.nyc.gov/AboutUs/funding/schoolbudgets/fy12SchoolBudgetOverview.htm>.

Specifics on Special Education Adjustments.

Less than 20% and between 20% and 60%:

- Generally covers SETSS, Multiple-SETSS and part-time ICT services;
- Data to compare projected register to data taken from Regional Net Register Report (RNRR) in ATS;

- As of December 31; and
- Difference between projected and actual multiplied by the associated per capita.

Greater than 60% integrated and self-contained:

- Generally covers ICT and self-contained services;
- The Special Education Component (SEC) reports will be used to verify the number of classes open as of December 31; and
- Increases in funding for new classes must be approved by the Office of Student Enrollment (OSE).

New schools' Special Education weights (Per Capita Schools):

- New elementary and middle schools, as well as high schools, are funded on a per-student basis for special education based on the following parameters:
 - High School registers as of October 31 and Elementary and Middle School registers as of December 31;
 - New schools do not receive unfilled seats funding; and
 - Net register change multiplied by associated per capitas and school FSF funding percent.

See a sample midyear adjustment calculation on the next page.

Summary of Special Education Mid-Year Adjustment Process			
FSF Special Education Category	ES/MS Receiving Per Capita Allocations	ES/MS Receiving Class Allocations	HS Per Capita Allocations
Less than 20%	Yes	Yes	Yes
Between 20% and 60%	Yes	Yes	Yes
Greater than 60% Self-contained	Yes	No*	Yes
Greater than 60% Integrated	Yes	No*	Yes
<i>*The initial allocation provides funding for unfilled seats. To the extent there is a need to open a new class, the Office of Student Enrollment (OSE) must approve the opening of an additional self-contained or ICT class, over and above those funded from the initial school budget allocations, before schools open and staff such classes.</i>			

Specifics on academic intervention and ELL weights. Adjustments for need characteristics will not be made at the mid-year. As noted above, it is cost-prohibitive to provide for upward adjustments based on register changes without also providing for downward adjustments, and principals expressed a strong preference for avoiding downward adjustments. In addition, audited data present the most accurate basis for funding student needs.

4.6.2. Register Gain Reserve Policy

Current pupil enrollment projections for FY12 show a net gain of 11,739 pupils system-wide. To lessen the risk of hiring more teachers than necessary should enrollment increases not materialize, and to address unexpected enrollment increases, funding for 50% of the projected register growth will be held in reserve on school budgets. The reserve is capped at 4.1% growth. Register gain reserves equating to 5 pupils or less will not be set aside, and are fully available to schools at the initial allocation.

For example:

If **School A** projects 3.2% growth, it will be initially funded as if 1.6% growth projected multiplied by the schools FY12 Fair Student Funding percent.

If **School B** projects 9.8% growth, it will be initially funded as if 4.1% growth projected multiplied by the schools FY12 Fair Student Funding percent. ($50\% \times 9.8\% = 4.9\% > 4.1\%$, then reserve equals $4.1\% \times \text{FSF Funding \%}$)

Schools will work with their CFNs to release reserved register growth funds when actual register growth is evident. This policy applies only to open schools; new schools and phase-out schools are excluded. In the fall, a preliminary allocation adjustment for register loss will take place in advance of the audited register data. Further information about the register adjustment process will be issued before school starts in September. Final adjustments based on audited data will take place in February 2012.

4.7. Special Rules for New Schools, Transfer Schools, and Phase-Out Schools

4.7.1. New schools

Schools opening in September 2011 do not have existing budgets and will receive their FSF Formula.

Poverty Weight. Year One new schools are funded using the Citywide cutoff level of 60 percent except for sites where the actual poverty information is known, such as for program conversions.

Academic Intervention. Based on information on existing new schools, schools opening in September 2011 are funded based on the following assumptions of their entering students' needs:

Well Below Standards:

- High School—26%

- Middle School—7%
- Secondary—26% if only grades 9 to 12, 7% for grades 6 to 8
- Elementary School—poverty weight (if start before grade 4)

Below Standards:

- High Schools—34%
- Middle School—12%
- Secondary Schools—34% if only grades 9 to 12, 12% for grades 6 to 8
- Elementary Schools—poverty weight (if start before grade 4)

ELL Weights. Based on information on existing new schools, schools opening in September 2011 are funded based on the following assumptions except for sites where the actual student information is known:

- ELL focused schools—100% ELL population
- Non-ELL focused schools—8% ELL population

4.7.2. New transfer schools

Academic. Based on historical information for existing transfer schools, new transfer schools' academic weights are funded based on the following assumptions:

- Well Below Standards—35% of the general education population
- Below Standards—29% of the general education population

ELL. Based on historical data for existing transfer schools, new transfer schools are funded with an assumption of having a population of three percent ELLs.

4.7.3. Phase-out schools

Poverty. The previous school year poverty percentage is applied to the schools projected enrollment to determine the poverty student count for schools that are phasing out.

Academic. The previous school year academic percentage under the new re-scaled methodology is applied to the schools projected enrollment to determine the academic intervention student count for schools that are phasing out.

ELL. The previous school year ELL percentage is applied to the school's projected enrollment to determine the ELL student count for schools that are phasing out.

CHAPTER 5: CONTINUING THE TRANSITION TO FAIR STUDENT FUNDING

In order to balance the sometimes competing priorities of equity and stability, and due to successive years of budget reductions, we have not yet fully implemented Fair Student Funding for allocating resources. Rather, we are still gradually transitioning to a straight-formula system. Why?

- Since FSF was implemented, the growth in salaries and the increases in mandated costs have exceeded the funding available for FSF due to Campaign for Fiscal Equity (CFE) dollars that DOE never received and budget cuts.
- In FY10 and FY11, total funding remained below the FSF formula level, despite the DOE's use of federal American Recovery and Reinvestment Act (ARRA) funds.

As a result, the Fair Student Funding budgets for a great number of schools are still below what is needed to cover basic operations. We must continue the effort to increase the funding for our most under-funded schools before another large cut is implemented against 2011-2012 budgets. The funds restored by the City will allow us to replace federal stabilization dollars which expire in FY11 and “bring up the floor” of funding for our neediest schools.

While changes in student register and needs can affect an individual school's allocation, other than those school-specific student need changes, losses to schools at or above the revised FSF formula will be capped, mitigating losses due to the initiative to raise the floor for under-funded schools.

The FSF formula is also being adjusted so that we can focus dollars where the academic need is the greatest based on the updated “cut” test scores. Additionally, funding for special education integrated classes is being revised to better align with student IEPs, historical school practice, and state and collective bargaining guidelines.

In order to balance the often competing priorities of equity and stability, some schools will be over-funded. As part of this year's effort to right-

size Fair Student Funding, each school's relative position to the full Fair Student Funding formula has been re-evaluated. Schools with funding percentages greater than 100% will receive the dollars greater than 100% in a new allocation category "TL Funds Over Formula."

We maintain our strong commitment to continuing our progress towards equitable funding for all schools. We will continue to value stability in the future while working to bring under-formula schools up to their fair funding level as the fiscal situation permits.

5.1. Budget Reductions

After these changes to FSF, we are still faced with a reduction in order to balance the budget in these difficult financial times. While funding sources are depleted, registers, student needs, and costs for food, fuel and transportation are also rising. Our most recent estimates predict increases of approximately 7,500 special education and 4,200 general education students.

Note also that CityWide special education and Alternative Programs will also experience a reduction in their funding. (Mandated services for all schools will not be affected by the budget reductions.)

All budget reduction will be applied after the school's allocation for Fair Student Funding has been updated for the formula changes described earlier in this document. Schools receiving funds in the allocation category "TL Funds Over Formula" will have the budget reduction applied there first, and any remaining reduction will be applied to Fair Student Funding.

5.2. Online Budget Reports

To increase transparency for principals, families, community members, and other key stakeholders, budget reports similar to the following samples are available for every school.

In response to feedback from schools and CFN staff, and in an effort to provide more transparency and clarity to the FSF budget process, the format of the web reports has been updated. Expandable and collapsible

fields and enhanced help descriptions have been added to the online report with the hope that you find these pages easy to read and digest.

- Fair Student Funding Overview
- Fair Student Funding Details

Samples appear on the following two pages.

Each report shows the school's pure formula funding level and how it is achieved by displaying how many students receive each kind of weight. This year we are showing the detail behind their funding adjustment from last year to this year.

At the bottom of each report, the school's total funding is shown by bringing in the other allocations that school receives in the initial allocation.

Reports are available at: <http://schools.nyc.gov/AboutUs/Budgets/FairStudentFunding/YourSchoolBudget/default.htm>.

FAIR STUDENT FUNDING OVERVIEW SAMPLE REPORT

NYC Department of Education
Dennis M. Walcott, Chancellor

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See Your School's Budget

Budget Overview

K637 - Academy for Conservation and the Environment

Expand all & Collapse | Download to Excel | Print | DOE Funding Overview | Fair Student Funding | 2010-2011 School Budget Overview

At this time, the fiscal year 2011 budget for the Department is uncertain and challenging. Based on our best estimates - which could shift, as Albany has yet to pass its own budget - we are planning for a cut of \$300 million in State education aid. In addition to this assumed State cut, the Department's non-discretionary costs (e.g., special education mandates, pension and other compensation obligations, etc.) are expected to grow by nearly \$1.2 billion in FY11 relative to FY10.

To cover a good portion of our growing expenses, the City is increasing funding to the Department by more than \$500 million. At the same time, the Department is reducing non-school budgets by \$120 million. However, these additional dollars and non-school savings aren't enough to cover the combined effects of the \$300 million State cut and the \$1.2 billion growth in non-discretionary costs, resulting in a reduction to school budgets of \$213 million. Overall, schools will take reductions to their total budgets not to exceed 4.10%.

The executive summary below summarizes information about your school's budget reduction. You may also link to more detailed information about [how the budget reduction was calculated](#) as well as to your school's [primary FY12 Galaxy summary](#). For further description of the FY12 budget, contact and Fair Student Funding, please see [FY12 S&M #1](#).

I. Calculation of FY11 Flexible Funding Base Budget			
[a] FY11 Fair Student Funding Supporting Funding Streams			\$1,128,162
[b] FY11 Enrolled Funding			\$170,000
[c] FY11 Other Flexible Funding			\$0
II. Calculation of School's FY12 Fair Student Funding Formula Percentage			
			90.63%
III. Calculation of School's FY12 Fair Student Funding Allocation Reflects rows 3-F in F&F Funding Formula Overview			
[d] FY12 Fair Student Funding Regular Formula			\$1,237,901
[e] Allocation based on school's percent of formula (max = 100%)	[f] 90.63%	[g] \$1,237,901	\$1,119,914
[h] Foundation Amount			\$225,000
[i] Funding for Teacher Salary Growth			\$9,819
[j] FY12 Fair Student Funding + C-HEC TT Allocation Total		[k] [f] + [h] + [i]	\$1,454,733
IV. Revised Fair Student Funding + Funds Over Formula Allocations in Galaxy			
[l]			\$1,454,733
V. Calculation of Budget Reduction			
[m] FY12 Base Budget for Reduction (excludes TL Salary Subsidies)	[n]		\$1,454,733
[o] Budget Reduction = 7.34% of Base Budget for Reduction applied to TL Fair Student Funding Allocation Category	[p]	[q] \$1,454,733 * .0734	(\$106,132)
[r] FY12 Base Budget after Reduction	[s]	[t] \$1,454,733 + [q] (\$106,132)	\$1,348,601
VI. Current FY12 Allocations in Galaxy			

Footnotes

1. Calculations may have discrepancies due to rounding display of percentages applied.

[Fair Student Funding S&M](#) | [School Charters Guide](#) | [Fair Student Funding Guide](#)

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FAIR STUDENT FUNDING DETAILS SAMPLE REPORT

NYC Department of Education
 Dennis M. Walcott, Chancellor

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See Your School's Budget

Fair Student Funding Budget For 2011-12 School Year

m015 - P.S. 015 Roberto Clemente

Fair Student Funding Formula Overview		Weight	FY12 Proj. Enroll.	FY12 Projected Enrollment	
A. Fair Student Funding Weighted Register Formula					
L	Grade				
L	K-5	1.00			
L	6-8	1.00			
L	9-12	1.00	0	\$4,161.11	\$0.00
Need Weight Total			006		\$609,009.91
B. Academic Intervention					
L	Poverty	0.10	167	\$487.17	\$41,326.69
L	4-5 Achievement				
a.	Well Below	0.40	0	\$1,623.47	\$0.00
b.	Below Standard	0.20	0	\$1,014.41	\$0.00
L	6-8 Achievement				
a.	Well Below	0.20	0	\$2,000.66	\$0.00
b.	Below Standard	0.20	0	\$1,000.33	\$0.00
A. FY12 Fair Student Funding Formula					\$1,437,261.00
B. Fair Student Funding Percentage					\$2.76%
C. Allocation Based on School's Percent/Formula					\$1,203,267.49
D. Foundation Allocation					\$225,000.00
E. Funding for Teacher Salary Growth			\$24.04	X	\$23.29
F. FY12 Fair Student Funding + C-ECCTT Allocation Total					\$1,247,227.00

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5.3. Galaxy Allocation Categories

In FY12 the allocation categories for Fair Student Funding are being modified, with several old categories being discontinued, and one new category being created. The chart below highlights the allocation category changes in Galaxy for Fair Student Funding.

FSF Allocation Categories

Allocation Category	Purpose	Restrictions
TL Fair Student Funding	All schools receive the bulk of their FSF allocation.	Unrestricted
TL Funds Over Formula NEW	This allocation category will be allocated to schools that have funding percents greater than 100%. The excess allocation over 100% will be issued in this allocation category.	Unrestricted
TL FSF General Hold Harmless DISCONTINUED	Funds previously issued in this allocation category have been collapsed into Fair Student Funding.	N/A
TL Fair Student Funding Incremental DISCONTINUED	Funds previously issued in this allocation category have been collapsed into Fair Student Funding.	N/A
TL Legacy Teacher Supplement	Supplement for pre-FSF teacher salaries due to longevity and differential increases. Given in proportion to base teachers.	Unrestricted
Other Related Allocation Categories	Purpose	Restrictions
TL Children First Network Support	Funds given to all schools to purchase CFN school support. Leftover dollars can be used flexibly.	Unrestricted
TL Children First Operating Funds DISCONTINUED	Funds previously issued in this allocation category have been collapsed into Fair Student Funding.	N/A
Contracts for Excellence	State funding intended to support supplemental programs serving students with the greatest educational need.	Allocated according to specific SED guidelines. Must be spent within six designated program areas.

TL One-Time Allocations	Allocations not recurring or system-wide.	Unrestricted subject to program guidelines; Non-recurring allocation
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CHAPTER 6: STAFFING

6.1. Background

6.1.1. How Schools Pay for Teachers

Before Fair Student Funding, we used to fund schools based on the teachers they hired. This meant that we gave more money to schools for having more experienced, higher-paid teachers. The inevitable consequence was that we gave less money to schools for having less experienced, lower-paid teachers. At two schools with 100 teachers each, one with teachers earning an average of \$70,000 and one with teachers earning an average of \$80,000, the funding difference could reach \$1 million. That difference was especially troubling when we knew that the school with lower-salary teachers likely had greater needs.

The Funding Gap

School A	School B
X Schoolwide average salary of \$70,000	X Schoolwide average salary of \$80,000
100 Teachers	100 Teachers
= \$ 7,000,000	= \$ 8,000,000

To address this inequity, under a policy announced by the Chancellor in May 2007, schools began to be funded based on the needs of their students, not the salaries of their teachers. Under this approach, a school no longer receives less money because it has less experienced teachers. Schools receive an allocation based on their students—their Fair Student Funding allocation—and schools are responsible for paying their teachers

out of that allocation. This way of managing a budget is familiar to families, universities, and businesses.

6.1.2. Student Achievement Is the Bottom Line

We hold principals accountable for one thing above all: student achievement. Principals can never pocket financial “savings”; they can only spend resources on other supports they believe will better serve students. High-quality, experienced teachers can contribute enormously to student achievement. In important ways, they can *lower* costs; rather than needing support themselves, these teachers can offer support to others. In fact, principals have been hiring experienced teachers through the Open Market system at the same or greater rates than inexperienced teachers for just these reasons. The bottom line for a principal will always be simple: Make the decision that will get the best results for your students.

6.1.3. Preserving Stability

Over the past several years, we have continued on a gradual course where schools pay for teachers in real dollars. This will ensure no school is destabilized.

Schools have not experienced radical changes due to the implementation of the Fair Student Funding formula. They have taken advantage of new opportunities and more flexibility through careful planning.

The current system preserves many key aspects of the previous approach to funding schools for teachers:

- Schools receive adequate funding for a mix of junior and senior teachers. The Fair Student Funding formula grade weights are built to allow a school to pay its base teachers at the Citywide Average, meaning the school’s teacher salary average can be made up of a mix of new and experienced teachers. Each year funds are added to school’s Fair Student Funding grade-level and need weights to compensate for growth in teacher salaries.
- As the salaries of teachers on a school’s payroll prior to April 2007 increase, we continue to ensure adequate funding to cover their expense. For “base” teachers (the number of teachers needed to meet

contractual maximum class sizes), the Department has provided additional funding to cover increases in salary due to longevity, steps and differentials in the past. The Department is committed to continuing to give schools adequate funding for the number of base teachers who were on school budgets as of April 2007 for as long as they remain on those budgets. This protection is linked to specific staff members and funding is issued in the legacy teacher allocation.

- We continue to charge schools for all teachers at a single rate, the school's average teacher salary, which is held constant throughout the entire school year. Principals don't have to worry about teacher salaries on a hire-by-hire, real-time basis. As previously, schools will be charged the same rate for all teachers. And as previously, we will adjust the average salary at which teachers are charged each year.
- If they so choose, schools are able to replace departing senior teachers with other senior teachers. If a teacher with a \$75,000 salary retires, then other things being equal, the school will be able to replace that teacher with another teacher earning roughly \$75,000.

6.2. Gradual Transition

6.2.1. Principals are responsible for costs of new hires

As of April 2007, in order to give principals greater control over their schools budgets, the Department no longer adjusts budgets based on the salaries of teachers newly hired into or leaving schools. Schools receive their money based on their students, through the FSF formula, and allocate it as they feel is most appropriate for the school's bottom line: improving achievement.

With the greater control over budgets that this approach created, principals have both new opportunities and new responsibilities. Schools can choose how to combine their investments in different types of teachers, services, and supports to improve student achievement. Smart principals will invest in great staff, but will do so in a way that is realistic for their budget.

As an example, prior to Fair Student Funding, if a principal was choosing between a \$60,000 teacher and an \$80,000 teacher for a *base* teacher

position, that principal’s decision changed the schools budget. Absent other salary changes or attrition, the budget rises \$20,000 if the principal chooses the \$80,000 teacher. Previously, the school was effectively not charged for the increased salary costs. In many ways, the school was also penalized for hiring a less experienced teacher.

Old Budgeting System	Fair Student Funding
<p>Budget: Base Teachers at SW Average (Positional) Charge: SW Average Salary of \$70k</p> <p>Replacement hire: \$60k</p> <ul style="list-style-type: none"> • Budget reduced by \$10k • Expenses reduced by \$10k • Effect: none <p>Or, Replacement hire: \$80k</p> <ul style="list-style-type: none"> • Budget increased by \$10k • Expenses increased by \$10k • Effect: none 	<p>Budget: Based on student mix Charge: SWA salary \$70k</p> <p>Replacement hire made in FY08: \$60k</p> <ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire • Expenses <i>reduced</i> by \$10K in FY09 • Effect: Purchasing power <i>increases</i> by \$10k. <i>Savings</i> for FY09 can be used for other supports such as mentoring, extended day programs, supplies, and/or intervention <p>Or, Replacement hire made in FY08: \$80k</p> <ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire • Expenses increased by \$10K in FY09 • Effect: Purchasing power <i>decreases</i>: \$10k. <i>Additional</i> cost for FY09 funded with tradeoffs made within the school budget

Because the school-wide average (SWA) salary charged for all teachers in the 2011-12 school year is based on a snapshot of teachers’ salaries from the previous January, principals have a year to adjust for hiring decisions before their budgets are affected. **For example, if a principal hired an \$80,000 teacher last year, the teacher would be charged to the school at last year’s school-wide average salary. Only this year would a new**

average teacher salary be calculated to include that teacher's salary.

After the new average teacher salary is recalculated, the principal will have \$20,000 less to spend than if he or she had hired a \$60,000 teacher. The school is also accountable for funding any raises in future years for the teachers they hire.

While there is no known collective bargaining increase for FY12, if an agreement is reached that includes raises for teachers, schools will be funded for increases in all teachers' salaries due to collective bargaining (contractual raises) through the FSF weights. For example, in years where there were collective bargaining costs, the per capitas associated with all weights were increased. This applies to potential agreements with other unions as well, such as Council of School Supervisors and Administrators (CSA), District Council 37 (DC 37), and the Communication Workers of America (CWA).

Principals are only responsible for the increased salary of the teachers hired after April 2007 and teachers not in the base. The Department will continue to fund increases in salaries for base teachers on school budgets prior to April 2007. (See section 6.3. for more information.)

This method of paying for teachers with actual salaries is not new. In fact, it is the way that a majority of salaries on a school budget are charged – all teachers outside of the school's base, administration and other school staff are charged to school at their actual salaries.

It is important to note that schools have adequate funding for their teachers to have an average salary equal to the city-wide average salary. The grade weights that all students receive are structured to cover base teachers at the city-wide average, as well as cover core programming and other core schools costs.

6.2.2. A one-year lag for many decisions to take effect

When schools replace existing teachers, there will be a lag-time for the effect. Because we continue to charge schools at a fixed school-wide average teacher salary for the year, principals will not immediately feel the impact of replacing existing teachers. The effect of new hires on the school-wide average teacher salary will not be felt until a year later, when the school-wide average teacher salary is adjusted.

For example, if a school hired either a \$60,000 teacher or an \$80,000 teacher *last* school year, the school was charged the same amount, whatever its current average salary was last year. However, *this* school year, the school’s average salary will rise or fall based on the costs of the teachers hired this past year. The school will have roughly \$20,000 more or less left to spend on other priorities this year, depending on whether the school hired the \$60,000 or the \$80,000 teacher.

The policy of lagging the salary impact of hired, transferring and exiting teachers was made in direct response to principals’ requests for planning time to manage the effects of their decisions. For example, if a principal wants to bring on a more experienced teacher, he or she will have a year to plan for any salary increases that teacher’s salary affects.

	School A	School B
January 2011 salary snapshot	50 teachers Average salary through June 2011: \$64,000	50 teachers Average salary through June 2011: \$68,000
June 2011–January 2012	5 teachers retire. Replaced with 5 relatively lower-salary teachers; school is charged \$64,000 for them.	5 teachers retire. Replaced with 5 relatively higher-salary teachers; school is charged \$68,000 for them.
January 2012 salary snapshot	50 teachers New average salary charged for all teachers through June 2012: \$61,000	50 teachers New average salary charged for all teachers through June 2012: \$71,000
June 2012–January 2013	3 relatively higher-salary teachers hired; no teachers leave. School is charged \$61,000 for them.	4 relatively lower-salary teachers hired; no teachers leave. School is charged \$71,000 for them.

The cost to the school remains unchanged only when the new hires are replacing existing positions. When schools add teaching positions that don’t currently exist, the school will pay for that teacher at the current school-wide average teacher salary, but the school’s overall expenses will increase due to the increase in overall teachers.

6.3. Legacy Teacher Funding

In 2007, the Department committed to funding schools for the increasing costs of longevity, steps and differentials for their base teachers who were on the school’s budget as of April 2007. This funding will be given to schools as a separate allocation, the Legacy Teacher Supplement. It is intended to help ease the transition to charging actual salaries for teachers.

The Legacy Teacher Supplement is calculated the following way:

- The total increase of legacy teachers’ salaries is divided by the number of legacy teachers to get the increase per legacy teacher.
- The increase per legacy teacher is then multiplied by the number of remaining base teachers at the school to get the total supplement given to the school.
- The number of remaining base teachers is calculated by subtracting the number of exits or transfers out of a school from an adjusted number of base teachers in FY07.
- **Note:** If the number of base teachers calculated on the FY12 projected registers is lower than the FY07 base number of teachers, then the FY12 number is used instead.

Legacy Teacher Salary Supplements

$$\left(\frac{\text{Increases}}{\text{Legacy FTE}} \right) \times \left(\text{Lesser of: [FY08 base teachers – exits and transfers] or FY08 base teachers} \right)$$

Here is a sample school that, for the purposes of simplicity, had five teachers in 2007–08. For the 2011–12 school year, one teacher is leaving and four teachers remain.

Legacy Teacher Supplement Calculation		
Total salary increases		\$ 15,000
Number legacy teachers	/	4
Average salary increase	=	\$ 3,750
Number base teachers*		4
Exits and transfers	–	1
Number remaining base teachers	=	3
Average salary increase	*	\$ 3,750
Total legacy teacher supplement	=	\$ 11,250

**In most cases this will be the FY07 base number of teachers (BNTCH), however for schools where enrollment has dropped significantly, the FY12 base number may be used instead if it is less than the calculation above would be.*

The salary increases due to longevity and differentials of teachers who were at the school prior to April 2007 total \$15,000.

This total is divided by the number of legacy teachers at the school, which in this case is four, to give an average increase of \$3,750.

This average increase is then given to all base teachers according to the FY07 count, less the exits and transfers. In this school’s case, since one legacy teacher is leaving this year, the count of base teachers becomes three. Since this count of base teachers is lower than the FY12 count of projected base teachers, then the FY07 count with adjustments is used.

The Legacy Supplement given to the school is the product of those three teachers times the average increase: \$11,250.

6.4. The School-Wide Average Salary

The school-wide average (SWA) salary is the amount schools are charged for the cost of every teacher for the entire year. It reflects the full savings (or cost) for teachers hired over the past year.

The school-wide average salary is calculated by taking a snapshot of all active teachers at a school as of January from the previous year. The salaries of those teachers are forecasted for their amounts as of June 30 to capture longevity, differentials, and collective bargaining increases. The forecasted salaries for the teachers are totaled and then divided by the number of active teachers as of January 2011.

The SWA salary is charged for all teachers for the entire 2011-12 school year. The Legacy Teacher Supplement covers a portion of the amount that teachers on schools' budgets as of April 2007 contribute to the SWA annual increase each year because of longevity, steps and differential increases.

FY12 School-Wide Average (SWA) Salary Calculation:

$$\left[\frac{\text{Total of Active Teacher Salaries as of January 2011}}{\text{Number of Active Teachers as of January 2011}} \right]$$

6.5. Technical Notes on Staffing Non-Teacher Positions

Schools will be charged forecast actual salary for non-teaching positions. Forecast actual salary takes into account any known and predictable salary events for the fiscal year, such as steps and increments. Examples of titles scheduled at forecast actual salary in Galaxy are as follows:

- Parent Coordinators and School Aides
- Assistant Principals and Principals
- Ed Paraprofessionals

- Guidance Counselors

When charging teachers and other staff to categorical funding streams, schools will continue to be responsible for fringe benefits.

6.6. Excessing Policy 2011-2012

6.6.1. In general

Principals should always have the ability to choose their teachers. For this reason, we are committed to the 2005 contract reform that eliminated the destructive practice of “bumping” and “forced placement” of teachers, and gave principals control over teacher hiring. But that commitment has a corollary: once teachers are in a school, principals are responsible for them. If a principal has a poorly performing teacher, the principal has several appropriate options, but excessing is never one of them. If principals use excessing to remove poor performers, we will have a large pool of unemployable teachers on the central payroll, creating costs that limit school funding and create pressure once again to force-place excesses.

Empowerment means principals bear the chief responsibility for the staff currently in their building.

Continuing last year’s policy, the Department will require schools to maintain all staff, absent the extraordinary circumstances defined below. Such staff must remain on the schools’ Table of Organization in Galaxy.

The Department will only centrally fund excess teachers when two thresholds are met:

1. *Budget Cut*: Schools which can demonstrate their inability to achieve the FY11 budget cut (based upon criteria below)
2. *Register Loss*: Schools experiencing a register loss of at least 3.5 percent when compared to the audited October 30, 2010 register for school year 2010-11.
3. *Grant Funding*: Schools which can demonstrate a significant *unanticipated* loss or reduction to grant funding (and confirmed by CFN);

4. *Grade Loss*: Schools experiencing loss of grade from prior year (and confirmed by CFN)
5. **In addition to the above, schools must demonstrate financial need under the criteria detailed in SAM #37.**

The reason selected should appropriately describe the situation applicable to that person. Additionally, the excess reasons prefaced by letters “CFN” are for CFN use only—not schools’ use.

6.7. Other Tools for Staffing

There are several other tools to help principals manage their staffing responsibilities:

- New Teacher Finder (NTF): Applications in the New Teacher Finder contain information about applicants’ teaching history and education experience, which can be used to help principals make optimal hiring decisions for their schools.
- Open Market Transfer System (OM): Applications received through the OMTS contain information about the forecasted 2012 salary of the applicant.
- Tenure Notification System (TNS): Principals receive notices and reminders of dates when teachers are scheduled to receive tenure.
- Principals may wish to review the salary schedules under the current collective bargaining agreement, available at:
<http://schools.nyc.gov/Offices/DHR/TeacherPrincipalSchoolProfessionals/Salary/Salary+Step+and+Differential+Schedules.htm>.

CHAPTER 7: CONTRACT FOR EXCELLENCE (C4E)

The Department of Education (DOE) receives a portion of its overall budget in the form of Foundation Aid from New York State. While the State allows some of the increase in year-over-year Foundation Aid funding to be used for growth in general operating costs and investment in ongoing programs, the majority of the increase is subject to the provisions of the “Contracts for Excellence.” New York City schools received Contracts for Excellence (C4E) funds for the first time in school year 2007-08.

The Governor's 2011-12 Approved Budget states that, “school districts that submitted a contract for excellence for the two thousand nine-two thousand ten school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand eleven-two thousand twelve school year.” In addition, districts are required to reduce the C4E amounts by the “gap elimination adjustment”, which for New York City is 17.53%. New York City is allowed to take this reduction from Maintenance of Effort funds established in year one of C4E. This permits schools to receive the same discretionary allocation given in FY11. Funds are to be used to support C4E allowable programs, as approved by the Commissioner.

Please note that to date, SED has not issued official guidelines for the use of FY12 funds. Therefore these guidelines are subject to change when new information is released. Until that time, please follow the guidelines set forth below.

These guidelines only covers the discretionary allocations that schools first received in 2008-09 to spend subject to the Contracts for Excellence provisions. Other funds earmarked for Contracts for Excellence – including funds for increases in Collaborative Team Teaching (CTT) enrollment, Autism Spectrum Disorder (ASD) and full day Pre-Kindergarten classrooms, and English Language Learner (ELL) summer programs - are not covered in this guide and will be addressed in a separate document, which will be posted on the C4E website (<http://schools.nyc.gov/AboutUs/funding/c4e/default.htm>).

Discretionary allocations will be made through the “Contracts for Excellence FY09” or “Contracts for Excellence FY09 HS” allocation categories in Galaxy.

7.1. How Funds Should Be Spent

All 2011-12 Contracts for Excellence discretionary funds are to be used to maintain effort for programs initiated using this funding source in 2010-11. It may be challenging for schools to maintain effort due to the overall budget reductions, and changes in its population may render a program unsustainable. As such, schools may choose to initiate a new program or expand an existing program using these funds. However, any program funded with Contracts for Excellence dollars – whether maintenance of effort or new/expanded – must adhere to the following provisions and is subject to State Education Department (SED) monitoring to ensure compliance.

7.1.1. Program Area Requirements

C4E dollars must be spent to support programs and activities in the following six program areas:

- Class Size Reduction;
- Time on Task;
- Teacher and Principal Quality Initiatives;
- Middle School and High School Restructuring;
- Full-Day Pre-Kindergarten; and
- Model Programs for English Language Learners.

For more information on eligible program options within these six program areas, refer to section 7.2.1 “Appendix A” in this chapter.

7.1.2 Students with the Greatest Education Need

C4E funds must be used to predominantly serve students with the greatest educational need, including:

- English Language Learners (ELLs);
- Students with disabilities;
- Students in poverty; and
- Students with low academic achievement.

7.1.3. Supplement not Supplant

C4E funds are supplemental and generally may not be used to cover the costs of programs and personnel previously funded with tax levy dollars. However, there is an exception. C4E can be used to fund an expense if the school can document and demonstrate that due to cuts in tax levy funding, the programs or personnel would have been cut “if not for” the availability of C4E dollars. Note that even in this "if not for" situation, the expenditure still must meet all of the programmatic requirements of C4E.

7.2. Guidance for FY12

- Program Code Changes:

The “program” field drop-down menu in Galaxy displays the names of the program strategies (e.g., Reduced Class Size, Reduced PTR, Summer School) rather than the program areas. Please see Appendix A of this document for descriptions of C4E programs strategies as well as the Galaxy program codes assigned to each.

- Required Documentation (Once SED releases official guidelines for FY12 funds, this section will be updated):
 - Schools will not be required to complete a new version of CEP Appendix 8 this year. However, please note the following:
 - Schools may be required to provide additional information about proposed program impacts, targeted student populations, etc. at SED’s request.

7.2.1 Contracts for Excellence Program Strategies - Appendix A

The following instructional strategies have been identified by SED as eligible for C4E funding within the six designated program areas. To get FY11 class size calculations, please refer to

<http://schools.nyc.gov/AboutUs/data/classsize/classsize.htm>

Program	Strategy	Galaxy Program Description
Class Size Reduction	New Class Room/Reduce Overall Class Size: Hire an additional teacher relative to the student population, teaching independently, to achieve class size reduction <i>at the aggregate school level over SY11 class size calculations.</i>	Reduce Class Size
	Additional Teacher in Existing Classroom: Add an additional Teacher relative to the student population, teaching collaboratively with another teacher, to achieve a reduction in student:teacher ratio <i>at the aggregate school levels over FY11 class size calculations.</i> Please note: Some schools may not have sufficient space to reduce class size through the creation of additional classrooms. In such cases, schools may elect instead to reduce pupil-teacher ratios using team teaching strategies. C4E funds may only be used for true co-teaching models and not for push-in teaching or paraprofessionals.	Reduce PTR
	Maintain SY11 class size reductions: Successfully reduced class size at the aggregate school level in SY11, and continue to fund a teacher(s) necessary to maintain a similar class size in SY12. Note: This may not result in an additional class size reduction, but should result in a similar class size as calculated in SY11. This option is only applicable to schools that demonstrated a real class size reduction in SY11.	Maintain Class Size
	Maintain SY11 Pupil Teacher Ratio reductions: Successfully reduced PTR at the aggregate school level in SY11 and continue to fund a teacher(s) necessary to maintain a similar PTR in SY12. Note: This may not result in an additional PTR reduction, but should result in a similar PTR as calculated in SY11. This option is only applicable to schools that demonstrated a real PTR reduction in SY11.	Maintain PTR
	Minimize growth of class size in SY11 - fund a teacher to minimize the growth in class size that the school would have otherwise experienced given budget cuts. Note: School must demonstrate that these positions would have been cut in FY11. Teachers must be supplemental to the number required by contract.	Minimize Class Size growth

Program	Strategy	Galaxy Program Description
Time on Task	Supplementary Before- or After-School Programs: <ul style="list-style-type: none"> ▪ Additional instruction emphasizing learning standards/subjects required for graduation ▪ New or expanded arts programs ▪ New or expanded CTE programs ▪ Student support services, including guidance, counseling, attendance, parent outreach, behavioral support, study skills 	Before & After School
	Lengthened School Year: Supplementary summer school, which may include: <ul style="list-style-type: none"> ▪ Additional instruction emphasizing learning standards or subjects required for graduation ▪ New or expanded arts programs ▪ New or expanded CTE programs ▪ Student support services, including guidance, counseling, attendance, parent outreach, behavioral support, study skills 	Summer School

Program	Strategy	Galaxy Program Code
Time on Task (continued)	Dedicated Instructional Time: <ul style="list-style-type: none"> ▪ Daily supplemental blocks of time during the regular school day to be used for research-based core instructional programs aligned with learning standards ▪ May include: <ul style="list-style-type: none"> - Response-to-intervention - Individualized intensive intervention - “Micro-targeting” of groups of students to provide instruction at a reduced class size or PTR relative to the school or grade but that does not reduce class size or PTR at the grade or school level. 	Dedicated Instruction
	Individualized Tutoring: <ul style="list-style-type: none"> ▪ Targeted to students who are at risk of not meeting learning standards / not graduating ▪ Supplemental to regular curriculum ▪ To be provided by a certified teacher, paraprofessional, or qualified tutor 	Individualized Tutoring
Teacher and Principal Quality Initiatives	Programs to recruit and retain Highly Qualified Teachers (HQT)	Recruit & Retain HQT
	Professional mentoring for beginning teachers and principals	Mentoring for New Staff
	Instructional coaches for teachers	Teacher Coaches
	School leadership coaches for principals	Leadership Coaches

Program	Strategy	Galaxy Program Code
<p>Middle & High School Restructuring</p> <p><i>For schools with middle or high school grades only.</i></p>	<p>Schools may allocate C4E funding to implement instructional changes that improve student achievement or instructional changes paired with structural changes to the school's organization.</p> <p>Instructional changes:</p> <ul style="list-style-type: none"> ▪ Designed to provide challenging academic and learning opportunities to students ▪ May include implementation of academic intervention programs 	<p>MSSH Instruct Changes</p>
	<p>Structural changes:</p> <p>Examples: Changes to grade offerings, creation of “academies”, schools within schools, etc.</p> <p>Please consult with your SSO team if you are interested in pursuing this option</p>	<p>MSSH Struct Changes</p>
<p>Full-Day Pre-Kindergarten</p>	<p>Expanding the instructional hours for existing pre Kindergarten programs from half-day to full school day (provided that the school has sufficient space)</p> <ul style="list-style-type: none"> ▪ Providing opportunities for the integration of students with disabilities into existing full-day pre-kindergarten programs 	<p>Full Day Pre-K</p>
<p>Model Programs for English Language Learners (ELLs)</p>	<p>Please see SED guidance memo for more details about activities allowable under these strategies:</p> <p>http://www.emsc.nysed.gov/mgtserv/C4E/ModelProgramsforLEP-ELLs-Rev7-28-08.htm</p>	
	<p>Innovative Programs for Underserved ELL Populations</p>	<p>ELL Innovative Programs</p>
	<p>Teacher Development, Recruitment, and Retention</p>	<p>ELL Teacher Recruitment</p>
	<p>Parental Involvement and Instruction</p>	<p>ELL Parent Involvement</p>

To review prior year State regulations and guidance, please visit <http://www.p12.nysed.gov/mgtserv/home.html>

CHAPTER 8: CONCEPTUAL CONSOLIDATION IN TITLE I SWP SCHOOLS

8.1. Overview/Background

Title I Schoolwide Program (SWP) schools are expected to use the flexibility available to them to integrate services and programs with the aim of upgrading the entire educational program and helping all students reach proficient and advanced levels of achievement.

In addition to coordinating and integrating services, Schoolwide Program schools may combine most Federal, State, and local funds to provide those services.

By consolidating funds from Federal, State, and local sources, a Schoolwide Program school can address its needs using all of the resources available to it. This gives a school more flexibility in how it uses available resources to meet the identified needs of its students.

8.2. Consolidating Funds in a Schoolwide Program

Consolidating funds in a Schoolwide Program means that a school treats the funds it is consolidating like they are a single “pool” of funds. The funds from the contributing programs lose their individual identity when they are combined into one flexible pool of funds. The school uses funds from this consolidated Schoolwide pool to support any activity of the Schoolwide Program without regard to which program contributed the specific funds used for a particular activity.

Consolidating Federal funds eases the requirements for accounting for funds from each specific program separately, because a Schoolwide Program school is not required to distinguish among funds received from different sources when accounting for their use.

A school that consolidates Federal funds in its Schoolwide Program is not required to meet most of the statutory and regulatory requirements of the specific Federal programs included in the consolidation (e.g., semi-annual time and effort reporting for Title I). However, the school must ensure that it meets the intent and purposes of the Federal programs included in the consolidation so that the needs of the intended beneficiaries are met.

8.3. “Conceptual” Consolidation

To consolidate funding in a Schoolwide Program (SWP), the school does not literally need to combine funds in a single account or pool with its own accounting code. Rather, the word “pool” is used conceptually to convey that a Schoolwide Program school has the use of all consolidated funds available to it for the dedicated function of operating a Schoolwide Program without regard to the identity of those funds.

- Most, if not all, Schoolwide Program (SWP) schools in NYC are already conceptually consolidating their Federal, State, and Local funds in support of schoolwide achievement, even though the Galaxy system reports the allocations in separate accounting codes.
- That is to say that Schoolwide Program schools receive Title I and other federal funds and use them to effectively improve the achievement of all students within their school. In many cases, however, principals and school leadership team members are not aware of the concept and language of conceptual consolidation, and therefore may not be realizing the full flexibility that consolidation of funding enables.

8.4. What Does That Mean?

If a school “opts in” to conceptual consolidation in their CEP application, they can use their Title I, Title IIA, Title III, Title IV, and IDEA funds for any purpose allowable under the cost factor, as long as they uphold the intent and purpose of each program.

- For FY12, considering the reduction in budgets, the benefit of conceptual consolidation will be prominent in the ability to fund any title in the cost factor, regardless of what the person is actually doing on a day-to-day basis.

- The flexibility of these funds will help ease the hardship of reduced funding. Having this flexibility in a fund source such as Title I SWP will be highly advantageous.

8.5. Galaxy Cost Factors for Conceptual Consolidation

Conceptually Consolidated allocation categories will share one flexible cost factor and will not have filter rules.

It is expected that the six allocation categories below will be approved by SED to be included in conceptual consolidation. Schools and CFNs will be notified when final decisions are made.

- Title I SWP
- Title I SWP School Success
- Title I Translation Services
- Title IIA Supplemental
- Title III Immigrant
- Title III LEP

8.6. Time and Effort Reporting

In accordance with federal OMB Circular A-87, semi-annual and/or monthly time and effort reports are required from each school and central office.

- What are the report criteria for federal-funded allocation categories that are conceptually consolidated? **None** – those allocation categories **do not require** Time and Effort Reports.
- What are the report criteria for federal-funded allocation categories that are **not** conceptually consolidated?
 - Must disclose staff names, FTE percentage, and salaries.
 - Semi-annual reports are required for fully funded positions. The staff's supervisor signature will suffice as long as that person can attest to the responsibilities of the individual in question.

- Monthly reports are required for split funded positions and each employee will need to sign the report.

CHAPTER 9: ABSENT TEACHER RESERVE SUBSIDY FUNDING

9.1. Absent Teacher Reserve (“ATR”) Subsidy

In November 2008, the Department of Education and United Federation of Teachers (UFT) agreed to a subsidy program that encouraged schools to hire centrally funded excess staff (CFES) by splitting the cost between central’s and schools’ budgets for 8 years. This agreement expired on December 1, 2010; and no newly hired excess staff will be eligible for any salary subsidy. The salary subsidy allocation continues to be issued for the 8 year period for previously hired eligible staff, based on the parameters outlined below.

All excessed UFT staff from closed and phasing out schools, and UFT staff excessed and centrally funded before January 1, 2010 from any other school, are eligible for this subsidy. Staff excessed and centrally funded between January 1, 2010 and December 31, 2010 are not eligible for this subsidy unless they were hired after November 1, 2010, with the exception of staff from closed and phasing out schools. Eligible titles include teachers, guidance counselors, social workers, lab assistants, school psychologists, school secretaries, and speech teachers.

Eligible staff (excessed from a closing or phase-out school, or excessed from an open school prior to January 1, 2010) who were initially hired on a provisional basis before 11/15/2010, and who are then hired as permanent staff for FY12 based on agreement between the principal and staff member, are entitled to the subsidy as detailed in the bullet below regarding Incentive #1.

The incentive initially consisted of two components.

- **Incentive #1:** School receives subsidy for difference between the school average teacher salary and a starting teacher salary until 11/15/10. After 11/15/10 central will pay the difference between the average teacher salary and subsequent steps on the salary scale through year 8.
- **Incentive #2:** For those hired on or before 11/10/2010, central provided an additional subsidy of one-half of a starting teacher's

salary, through 11/15/2010. Incentive #2 expired on 11/15/2010. No school should receive this funding in FY12.

The latest MOU with the UFT which allows the hiring of excessed staff on a provisional basis in FY11, without financial incentive, expires on June 30, 2011.